

BUSINESS WEEK

WEEK
AGO

YEAR
AGO

START
OF WAR
1939



Keys to the Bretton Woods monetary conference: Lord Keynes (left), and the Treasury's Harry D. White.

BUSINESS
WEEK
INDEX

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"Something for nothing" is sucker bait

BEFORE you can *have* anything, somebody has to *produce* it. Why should he produce it for you unless you also produce something of equal value to give him in return?

You know the answer—*he won't.*

That's why you can know that people who promise you an easy future, with "more pay for less production", are only throwing dust in your eyes.

You can only be paid out of what you add

to the country's supply of goods and services —there is no other place for wages to come from. Plans for a better world in the future are fine but they will all be cruel failures unless they're founded on this fact, which no power on earth can change.

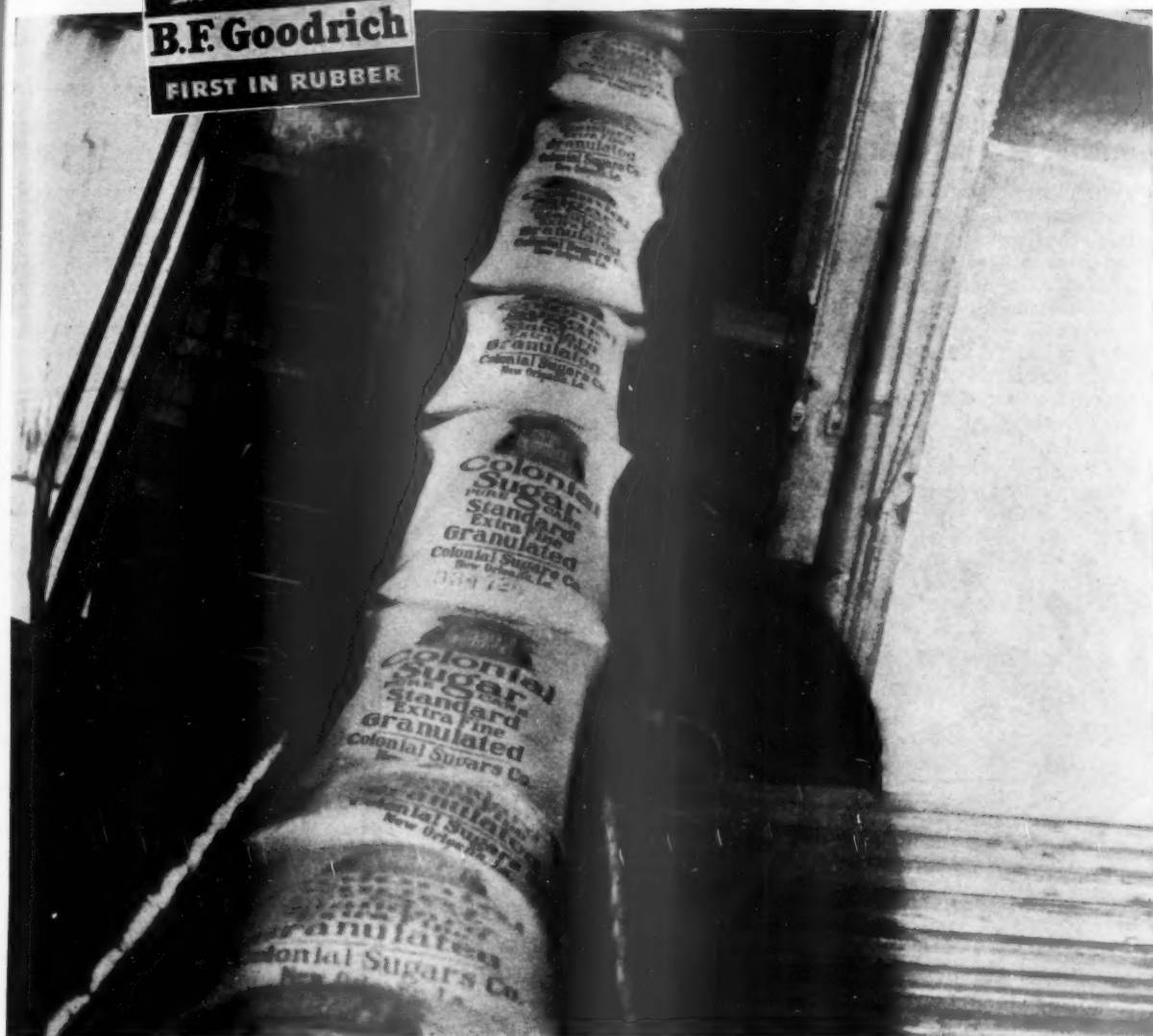
In the final analysis the only one who can make this a better world for you, with true security, is yourself—by adding more to this nation's goods and therefore having more to take out.



WARNER
&
SWASEY
Turret Lathes
Cleveland


YOU CAN TURN IT BETTER, FASTER, FOR LESS . . . WITH A WARNER & SWASEY

In war or peace
B.F. Goodrich
 FIRST IN RUBBER



Rubber fingers that pick up bags of sugar


A typical example of B. F. Goodrich development in rubber

GETTING hundred pound sacks of sugar up a grade that looks like this  was causing plenty of trouble in a Louisiana sugar mill. The bags could be trucked to within a few feet of the Mississippi river. But they had to be conveyed across a high levee to get to the wharf. The bags simply slipped off regular smooth-surfaced conveyor belts. Then wire mesh belts and belts with cleats across them were tried. But both the wire and the ridges tore the bags and spilled good sugar on the river bank. It looked as though the

only remedy was to lengthen the conveyor to reduce the steepness of the slope—a costly and inefficient way of handling sugar.

Then B. F. Goodrich learned of the problem and suggested a belt of theirs made with 3000 tiny flexible "fingers" per square foot. This B. F. Goodrich development was originally designed to carry cartons up and down inclines in food plants. But it proved to be the answer for the sugar bags, gripping them firmly but gently. Tearing of bags became a thing of the past. That

was five years ago and the original belt is still in service down on the levee.

B. F. Goodrich men often find that a product developed for one purpose will solve an entirely different problem. That's why they suggest you consult a B. F. Goodrich distributor or write the B. F. Goodrich Co. if you have a problem that might be solved with rubber—natural or synthetic. *The B. F. Goodrich Company, Industrial Products Division, Akron, O.* 

B.F. Goodrich
 RUBBER and SYNTHETIC products

It takes some
PUSH



It takes a lot of **PUSH** to rise from a pushcart to the presidency of a chain of food stores. But we know of a man who did it.

As long as a man has incentive to work for . . . as long as America has *Free Enterprise* . . . people will find a way to build new businesses, to develop new and better products, to provide employment and preserve our standards of living.

SKF
BALL AND ROLLER
BEARINGS

SKF INDUSTRIES, INC., PHILA., PA.



BUSINESS WEEK

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Policy Split

Invasion experience has intensified already bitter disagreement among government officials over the adjustment of manpower and production policies to war and civilian needs. As a result, the public has been getting a series of conflicting statements and contradictory orders from Washington.

Army and Navy chiefs—and the WPB officials who agree with them—are viewing with publicized alarm the renewed demands thrown upon war industry by military requirements that have come out of invasion operations. They insist that war production is lagging in several of the most important programs, that there can be no thought of reconversion, no relaxation of restrictions on use of manpower and materials for expanding production of civilian goods until the German war is ended.

At the same time, officials who keep their eye on civilian production point to the dangers of unemployment as a result of cutbacks. They are trying to push through plans for immediate relaxation of controls where this will not interfere with war production.

The Manpower Facts

The argument finally boils down to a question of manpower. Briefly the actual situation is this:

In certain industries and certain areas there are acute shortages of labor—particularly of skilled workers—which are slowing down production in particular lines. Foundries, tire plants, tank arsenals, shipyards, and coal mines are the principal sufferers. Altogether, they show a deficit of about 300,000 workers.

Outside of these industries there is no over-all shortage but a shifting pattern of spot shortages and surpluses.

Two Viewpoints

Army and Navy spokesmen are looking at the various specific shortages. In most cases, the industries suffering worst produce the goods that the Army now wants most. Military officials also are worried about the possibility that favorable progress of the war and resumption of civilian work will touch off a stampede of labor out of war work. They doubt whether the WMC's new labor priority referral system (page 102) will be effective in channeling workers to jobs where they are needed.

Other production officials are looking at the labor situation on a plant-by-

plant basis. They argue that shutting down an aircraft plant in one area will not necessarily do any good to a forge shop, halfway across the country. From their viewpoint, maintaining employment when war jobs blow up is just as much of a problem as recruiting labor for jobs that need filling.

Prompt Action Needed

The problem is further complicated by the fact that where war orders are cut a certain number of workers will leave the labor market entirely unless they can get prompt employment in the same area at about the same wages. This means that total production—civilian and military—will be less than it might have been. It also means that if the Army has to change its plans later and step up production of the item that was cut, the labor force that produced it will have been dissipated.

Test of Strength

The argument over manpower and production policy now has reached the point where neither side can say anything that will change the other's mind. From now on, it will be a tug of war until the defeat of Germany removes the basis of controversy.

Nelson's Move

Now that WPB Chairman Donald M. Nelson is recovering from pneumonia, his plan for relaxation of controls on civilian production (BW—Jun. 24 '44, p5) may pick up speed. So far it has been moving in low gear. With Nelson out, operating officials—most of whom opposed the plan—have delayed announcement of detailed orders putting the general policies into effect.

As things stand now, four orders are in the works:

(1) To allow manufacturers to make a single experimental model of any postwar product.

(2) To put control of aluminum and magnesium on a plant-by-plant basis, instead of under a general limitation order (page 15).

(3) To allow manufacturers to place orders now for machine tools they will need in civilian production.

(4) To permit WPB regional directors to take manufacturers out from under certain limitation and conservation orders where no harm to the war effort will result.

Victory for OCR

Meanwhile, William Y. Elliott, WPB's vice-chairman for civilian requirements, has persuaded the other vice-chairmen that all needed civilian durable goods items shall automatically be programed at the "squeeze" level "inadequate to meet total demand but sufficient to supply the most pressing needs without rationing" unless this interferes directly with war production.

This is an important—and long-sought—victory for OCR. Production of almost two-thirds of the items programed by its Durable Goods & Products Division is now below the squeeze level.

Question is whether, having taken this step in the direction of more civilian production, WPB will follow through.

Special Drives Planned

OCR is developing plans for making the widest possible use of its list of needed civilian items (BW—Jun. 24 '44, p18), now approved by WPB. Every fortnight or so, officials will take between a half-dozen and a dozen of the items in the most critical supply situation and mark them for the personal attention of WPB's topline.

Holding Down Deliveries

War contractors can expect procurement officers to take another look at their delivery schedules within the next few months, even though no cutbacks result.

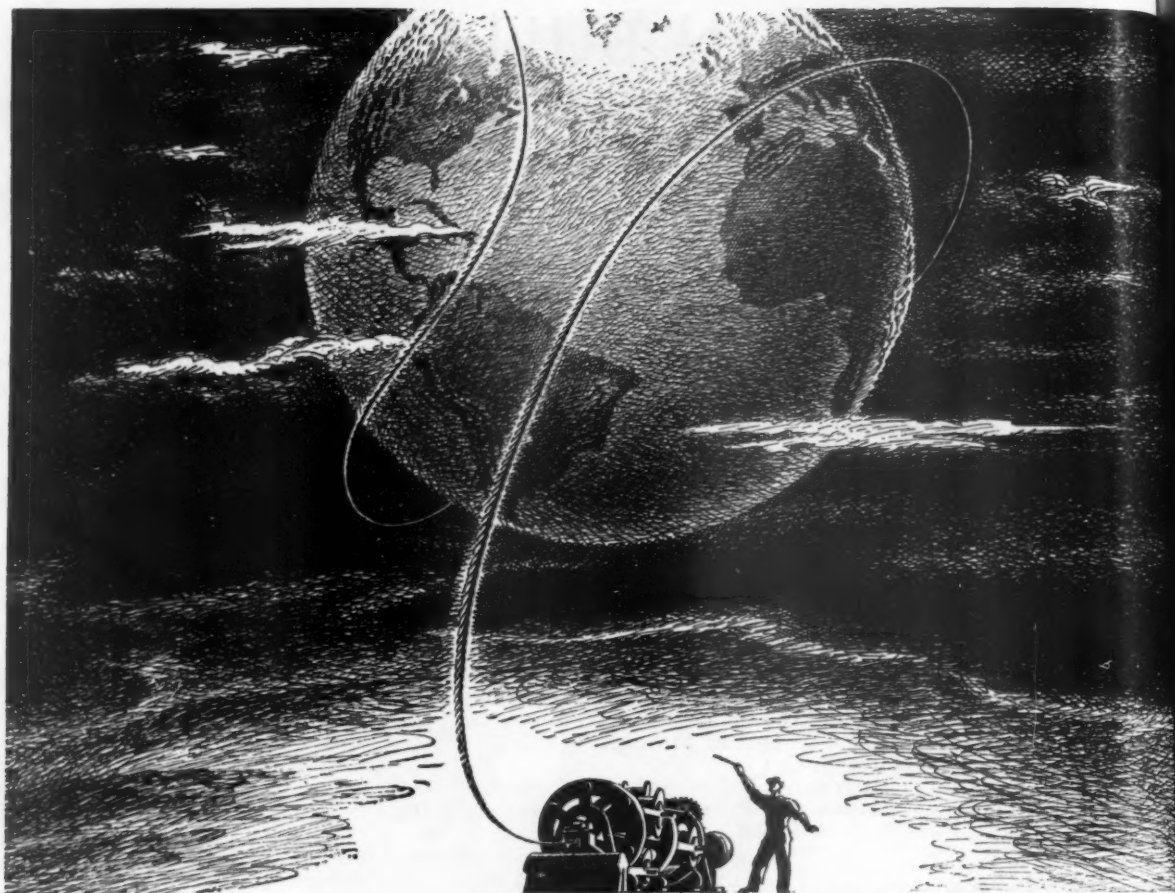
In its latest revision of procurement regulations, the Army has instructed contracting officers to be particularly careful to keep commitments to a minimum and to schedule deliveries to correspond as closely as possible to actual requirements.

The reason is that, from here on, most production will be for current requirements rather than for stocks.

NWLB Stands Pat

The National War Labor Board's jurisdiction over employee relations in the mail-order business was reaffirmed this week but not, this time, for the benefit of Sewell Avery.

The case before the board involved Sears, Roebuck & Co.'s Minneapolis property, and NWLB decided its regional unit was wrong in refusing to act in a dispute arising because the com-



WIRE ROPE CORPORATION OF AMERICA, big name in the industry, protects wire rope from both tropic and sub-zero hazards by lubricating it from the inside with a Shell Industrial Lubricant.

an American Rope Trick



THE TRICK: A wire rope needs continual lubrication to stand the gaff. Superficial lubrication from the outside does not penetrate because of tension. Wire rope is lubricated *from the inside!*

HOW IT'S DONE: The tough Wireco rope has a "soft heart." This is a core of hemp rope. When wire is fabricated around this hemp core it is "saturated" with a special Shell Wire Rope Lubricant. This all-important lubricant "cushions" friction of wire strands . . . keeps strands oiled . . . checks dangerous corrosion from water seepage.

In actual use, much of a wire rope's durability depends on the lubricant incorporated during manufacture—for this lubricant must function throughout the entire life of the wire rope. Ordinary lubricants harden at low temperatures, "soup" at high temperatures—lubricate efficiently only under relatively normal con-

ditions. A Shell Wire Rope Lubricant was recommended for Wireco's use. Its combined rust-preventive and lubricating properties are insuring efficient, longer-lasting wire rope for use the world over.

To American industry, in all-out production for Victory, proper lubrication is vital. Yesterday's solution is seldom good enough for today.

At the "University of Petroleum," Shell's research laboratories, lubricants are constantly being improved. Shell Lubrication Engineers apply these improvements in the field.

Do the machines in your plant get the benefit of all that's new in lubrication? Make sure. Call the Shell Lubrication Engineer.



First oil refinery to win the Army-Navy "E"—Shell's Wood River Refinery.



**LEADERS IN WAR PRODUCTION RELY ON
SHELL INDUSTRIAL LUBRICANTS**

pany wouldn't deal with the C.I.O. after it had been certified as bargaining agent (BW—May 13'44, p7).

The regional board voted four to two against docketing the Sears case on the ground that the employer was not engaged in war production; thus supporting, in effect, the Sewell Avery contention that NWLB had no right to intervene in the celebrated Montgomery Ward dispute.

The national board could not possibly allow the Ward case to be strengthened by unchallenged support from NWLB's own family. Consequently its decision to remand the case to Minneapolis for further hearings, coupled with a declaration of its jurisdiction over the industry, occasioned no surprise.

Congress Shadows Money Plan

Delegates to the world monetary conference at Bretton Woods, N. H. (page 111), are going through the motions of

working out a currency stabilization agreement and international bank plan, but they know that what they want will not determine the final decision. The controlling factor will be what they think the United States Congress will accept.

The Treasury already is badly worried by the hostile reaction of American bankers. Foreseeing a hard fight to get congressional approval for any plan the conference draws up, the Treasury will kill off any proposals that might be interpreted as making an international Santa Claus of the U. S. This means that the various small nations have no hope of getting acceptance for proposals which would reduce their contribution and increase their freedom to draw on the resources of the fund. The final currency plan will probably follow pretty closely along the lines of the consensus of experts announced last April (BW—Apr. 29'44, p16).

On one point, the Treasury may have to modify its stand to pacify opposition at home. Senators from western states,

seeing an unparalleled opportunity, are campaigning for inclusion of silver in the monetary base of the fund. This has given silver standard countries a chance to make a strong play for special concessions in the final plan.

Coffee Troubles Ahead

Efforts of Brazilian coffee growers to force OPA to raise ceiling prices (BW—May 27'44, p88) may involve the U. S. in serious difficulties by fall.

Coffee stocks in this country are large and imports probably will continue high for another month, but the long-term prospect is bad because Brazilian speculators have been holding coffee off the market.

The Brazilian government, which holds between 10,000,000 and 15,000,000 bags, is trying to help by (1) offering to sell its own stocks to U. S. importers, and (2) offering Brazilian growers a bonus of one bag for every ten they sell. The effectiveness of these

Only Talk From Congress Unless Nazis Quit

Unless Germany collapses, little more action can be expected from the present Congress before its expiration next Jan. 3.

For the sake of appearances, with the climax of the war approaching, Congress nominally will convene again Aug. 1, but few members will return until after Labor Day. From then until Election Day, there will be more talk than anything else—especially from the Republicans, who will go all-out to discredit a dozen years of Democratic rule.

• **If War Ends**—An end to the war in Europe this fall would, of course, throw Congress into a turmoil. This probably would force quick legislative action—otherwise doubtful—on disposal of surplus property, unemployment compensation, and other measures to cushion demobilization of civilian workers. President Roosevelt might press his cradle-to-grave social security program, to which Congress has been cool.

Flood control, rivers and harbors, highway construction, and other employment generating measures also would be speeded by Germany's collapse.

• **If War Continues**—If the war drags on, the Republicans—now strong

enough to jam the legislative machinery—will want to postpone action on all major issues. Hoping to capture control of Congress and the presidency, they are in no hurry to do anything until they can get the credit for it themselves.

One issue that either Republicans or Democrats may see a chance to make capital of before the elections is the relief of white-collar workers who are squeezed between fixed incomes and the increased cost of living. This will depend on how much griping the legislators hear in their home districts this summer. The white-collar vote is a tidy chunk, which so far has been neglected by both sides.

• **Jobs for Next Congress**—Tax revision will go over until the next Congress, but in the meantime, the staff of the joint congressional committee on internal revenue will plug away on plans for a general overhaul of the tax system. Latest idea that committee members want worked up is a pay-as-you-go plan for corporations.

Revamping of the civil aeronautics act, a project which bogged down this year, also will wind up in the lap of the incoming Congress.

Groundwork for legislation in the

next Congress overhauling the communications act is being laid by a select committee of the House. Regardless of the election results, the Federal Communications Commission will get its wings clipped.

Odds are that before the end of the year the Senate will pass the House-approved bill exempting insurance from the antitrust laws. A veto seems certain, however, and backers of the bill lack strength to override the veto in the Senate.

• **Preparing for Peace**—The present Congress already has anticipated the war's end in three respects: extension of the price control act, passage of the contract termination law, and enactment of the so-called G.I. Bill of Rights establishing numerous benefits for war veterans.

The present Congress has taken a swipe at "government by executive order." By amendment to the independent offices appropriation bill, all agencies established by executive order must get approval from Congress of their policies and expenditures before Jan. 1. The Fair Employment Practices Committee, original cause of the row, however, was granted sufficient funds to continue operations under certain restrictions.

Outstanding for



For riveting, chipping, grinding, workers have indicated great appreciation of Willson's TAW10 Cup Goggles. The comfort they get from superb fit is a big reason why.

The ventilated cups are molded to match the contours of the eye areas (see cut). In these remarkably comfortable goggles, clear Super-Tough lenses provide their famed protection; with Willsonite Super-Tough lenses available for glare. Willson's TAW10 is one of the most popular goggles serving industry. It is only one of hundreds of styles of safety goggles in the complete Willson line of eye, head and lung protection.



THIS PHOTO SAYS "O.K."

Every Willson Super-Tough lens is tested in the Polariscopes, to determine uniformity of heat treatment, degree of toughness. Photo shows pattern cast by a lens that has perfect strain distribution. If a lens shows any deviation from this pattern, out it goes. This is only one of many tests made to make sure that Willson safety equipment is really safe.

There's a Willson Safety Service Distributor in every major industrial area.

GOGGLES • RESPIRATORS • GAS MASKS • HELMETS

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READING, PA., U. S. A. Established 1870

offers is limited because about half of the government-owned coffee is too low-grade for this market and much of the rest is pledged to British banks as collateral against long-standing loans.

Only other Latin-American country with sizable stocks of high-grade coffee is Colombia which holds around 1,000,000 bags. The Inter-American Coffee Board is examining the possibility of upping quotas all around, enabling the U. S. to get more Colombian coffee.

If these measures do not help, along about election time the U. S. will face two alternatives: (1) coffee rationing, and (2) higher coffee prices (coffee carries a heavy weight in the cost-of-living index).

Treaty Vote Battle Looms

The Administration is building up strong pressure for modification of the constitutional rule requiring a two-thirds vote of the Senate for ratification of treaties.

To improve prospects that the United States will accept whatever peace settlement is made after the war, congressional spokesmen for the Administration will stress heavily during the coming presidential campaign that the two-thirds rule is outworn and constitutes a barrier to the country's getting what it wants in international affairs.

Already Sen. Claude Pepper of Florida has urged that the war be officially terminated by executive order instead of by treaty when the Germans surrender.

Democratic hope is that the country will be aroused to support a constitutional amendment calling for treaty ratification by a majority vote of the House and Senate. Even if such an amendment were not approved before the peace settlement was complete, the fact that the question had been raised is expected to temper senatorial opposition to the peace treaty that follows this war.

—Business Week's
Washington Bureau

THE COVER

At the international monetary conference in New Hampshire's hills, delegates from 44 countries argue politely over details; agreement on a minimum schedule was reached before the curtain rose. For the postwar economic plans of Harry D. White, U. S. Treasury expert, and Lord Keynes, chairman of the United Kingdom delegation, were merged into a compromise and approved—reservedly—beforehand by the United Nations. But the true worth of commitments without underlying trade agreements and pledges remains conjectural (page 111).

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CALCULATOR
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"The posting is done in a way that automatically proves the correctness of both calculating and posting... and it eliminates all need of re-calculating for proof!"

"Do you wonder that Marchant and I rate compliments!"



P.S. The boss is all for Marchant

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SERVICE STATIONS GIVE SERVICE EVERYWHERE



Struggles to "hold the line" now center in cotton textiles. OPA, rejecting the industry's request for a flat 10% boost on cotton yarns and goods, this week was busy with myriad piecemeal advances.

The over-all outlook is shot through with election-year politics. How badly does the Administration want to hold the line?

"Compromise" on the Bankhead amendment to the act extending the stabilization law ushered in confusion. **Textile markets are tied in a knot.**

Sen. John H. Bankhead's original amendment, in brief, would have forced OPA to adjust textile prices to the cost of raw cotton.

The "compromise" tells the President to assure producers of basic crops (1) parity price, or (2) the highest price between Jan. 1 and Sept. 1, 1942. (This was rushed through, obviously with White House approval, at a time when it was clear a presidential veto could not be overridden.)

Now it becomes a question if the "compromise" isn't more far-reaching than the amendment it replaced.

Major crops which have been selling under parity are cotton and wheat. **Rises in wheat are cushioned by subsidies through the flour millers, but there isn't any such device to shelter consumers of cotton goods.**

Cotton prices spurted on enactment of the price-control extending law. Mills stopped selling, awaiting relief from OPA.

This paralysis comes at a time when the trade estimates that textile supplies are the lowest of the war—and going lower. Predictions are that cotton goods for 1945 summer sportswear (to be manufactured this fall) will be virtually nonexistent.

OPA now is acting to advance ceiling prices on about one-third of all cotton consumption, notably most combed and carded yarns, sheets and pillow cases, denims, certain chambrays, and many other fabrics.

Major importance of any advance in the cost of textiles is the influence on labor's demands for tossing out the Little Steel formula.

The cost-of-living index advanced in May (BW—Jul. 1 '44, p32), now stands about 10% above the Little Steel formula's base. OPA hopes to confine the rise in textiles so as to minimize the effect on the cost of living.

Labor, however, is not overlooking the opportunity presented by the changes in the stabilization law (BW—Jul. 1 '44, p15). **The statute, unions argue, assures farmers a floor under prices for a year; now it's time to give labor a floor under basic wage rates.**

Demands for a floor under wages were bound to come up. Heretofore, union claims for higher hourly wages could be countered by citing the big gains in take-home pay (resulting largely from overtime payments).

Changes in arms production already have resulted in some reduction of overtime. Labor leaders know that next year will see a lot more of this. They also are keenly aware that election year is an ideal time to make their demands.

The Administration's campaign oratory is going to make much of the price-control amendment that promised parity prices for the farmer. That's a bid for farm votes on which the G.O.P. has been banking.

But it is a sure way of losing labor votes unless the unions get something, too. **Did the President have in mind, when he compromised the Bank-**

THE OUTLOOK (Continued)

BUSINESS WEEK
JULY 8, 1944

head amendment, that he was paving the way for higher textile prices and creating an excuse to do something for his labor friends?

Next war loan drive is unlikely to come until near the end of this year.

Treasury Secretary Henry Morgenthau gave the tip on Wednesday; he announced a change in the current offering to give insurance companies and local political subdivisions until Sept. 30 to pay for bonds.

These buyers will have to get a breather after Sept. 30 to save up funds to be invested during the next campaign.

Morgenthau, habitually nervous in the late stages of bond drives, has agreed on other occasions to accept postdated checks from big bond buyers, but never before has he put the date so far ahead.

Shop around before you place orders for your reconversion machine tools.

Plants are clogged with unexpected new orders now, may not get out from under until some time after the war ends (chart, page 22).

There are reasons for the glut of business aside from the very unexpectedness of the orders. The tool companies lost skilled manpower after they filled the big rush of war business. Then, too, they converted into direct war work to a considerable extent.

Present shipments are little more than a third what they were at the peak. Direct war contracts add only about 15% to 20% onto actual tool volume in these plants. Yet the resilience of 1942 just isn't there.

Your old supplier may not be able to take care of your reconversion needs as soon as someone else. That's why you should look around.

The hunt for 15,000 to 20,000 men "with the muscular equipment of football players," launched at midweek by War Manpower Commissioner Paul V. McNutt, points to the major soft spot in present war production.

McNutt wants these huskies for the foundries and the forge shops. Lack of castings is handicapping production of what WPB calls "heavy-heavy motor trucks"; they fell 3% below schedule in May.

But the difficulties are not alone in trucks over 2½ tons. Aircraft made a new record (airframe weight) in May, but still was 1% below schedule. **Weight of aircraft produced in June approximately duplicated that of May, which means a further lag behind the steadily rising schedule.**

Best news is that big bombers topped the goal again in June.

The Russians are still getting their share of American airplane production.

When Bell Aircraft finished up its P-39 (Airacobra) contracts a few days ago, it was free to concentrate on the new jet-propelled P-59 (Airacomet) and P-63 (Kingcobra). Russia got most of the Airacobras, and the reason we hear very little of the Kingcobra—beyond the Army's bare announcement of it—is that most of the P-63's are marked with the Red Star.

Incidentally, it is common knowledge that, after accepting delivery, the Soviets stripped the P-39 of armor and just about everything else that would come off in order to increase speed, ceiling, and maneuverability. Even the radio came out.

However, when the Bell people suggested that it was silly for them to put in a radio in the first place, the Russians protested. The Red air force was switching the American sets into its bombers.

FIGURES OF THE WEEK

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
THE INDEX (see chart below).	*234.2	†235.1	‡235.7	233.8	231.4

PRODUCTION

Steel Ingot Operations (% of capacity).....	94.3	95.7	97.8	93.1	96.0
Production of Automobiles and Trucks.....	19,335	19,385	16,950	15,220	18,645
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$4,809	\$5,608	\$5,298	\$5,056	\$8,701
Electric Power Output (million kilowatt-hours).....	4,327	4,325	4,144	4,337	4,111
Crude Oil (daily average, 1,000 bbls.).....	4,587	4,583	4,523	4,357	4,008
Bituminous Coal (daily average, 1,000 tons).....	2,000	2,050	2,096	1,904	768

TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	82	82	82	74	81
All Other Carloadings (daily average, 1,000 cars).....	65	65	63	50	45
Money in Circulation (Wednesday series, millions).....	\$22,421	\$22,293	\$22,112	\$20,428	\$17,420
Department Store Sales (change from same week of preceding year).....	+15%	+3%	+11%	+22%	+19%
Business Failures (Dun & Bradstreet, number).....	36	25	22	25	66

PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931 = 100).....	249.1	249.6	250.8	247.4	245.2
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	165.7	165.7	164.6	160.7	160.0
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	224.3	223.7	224.9	218.6	210.3
†Finished Steel Composite (Steel, ton).....	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
†Scrap Steel Composite (Iron Age, ton).....	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
†Copper (electrolytic, Connecticut Valley, lb.).....	12.00¢	12.00¢	12.00¢	12.00¢	12.00¢
†Wheat (No. 2, hard winter, Kansas City, bu.).....	\$1.54	\$1.55	\$1.67	\$1.64	\$1.40
†Sugar (raw, delivered New York, lb.).....	3.74¢	3.74¢	3.74¢	3.74¢	3.74¢
†Cotton (middling, ten designated markets, lb.).....	21.80¢	21.72¢	21.27¢	19.90¢	21.07¢
†Wool Tops (New York, lb.).....	\$1.340	\$1.340	\$1.346	\$1.280	\$1.370
†Rubber (ribbed smoked sheets, New York, lb.).....	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.).....	103.6	102.8	97.6	93.3	98.2
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's).....	3.57%	3.58%	3.60%	3.80%	3.85%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's).....	2.72%	2.73%	2.73%	2.73%	2.71%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate).....	1%	1%	1%	1-1%	1-1%

BANKING (Millions of dollars)

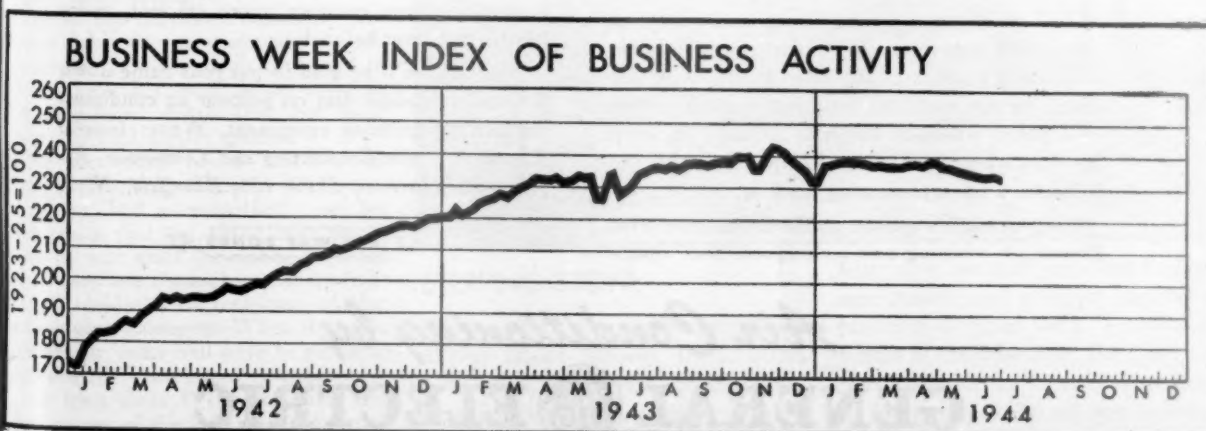
Demand Deposits Adjusted, reporting member banks.....	33,008	36,426	36,208	33,895	32,289
Total Loans and Investments, reporting member banks.....	55,036	51,152	49,988	49,734	45,843
Commercial and Agricultural Loans, reporting member banks.....	6,027	5,939	5,846	6,421	5,542
Securities Loans, reporting member banks.....	3,648	2,031	1,781	1,906	1,438
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks..	39,917	37,832	37,029	36,109	33,295
Other Securities Held, reporting member banks.....	2,955	2,904	2,878	2,786	3,063
Excess Reserves, all member banks (Wednesday series).....	1,500	1,400	700	1,126	1,212
Total Federal Reserve Credit Outstanding (Wednesday series).....	15,423	15,786	14,759	12,430	7,576

* Preliminary, week ended July 1st.

† Ceiling fixed by government.

‡ Revised, see page 34.

§ Date for "Latest Week" on each series on request.





PORTRAIT OF A HERO ...handle with care!

Many a wounded hero will come home well and strong again, thanks to a thin sheet of film...

Thanks to the miracle of the X-Ray...

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Aluminum May Set a Pattern

Government's plan for freeing surplus light metals is expected to indicate how far WPB is willing to go in releasing other vital materials as shortages become surpluses.

Aluminum is about to be pried loose from its wartime priorities, and such action may well set the pattern for dealing with all other vital military materials as shortages turn into surpluses.

• **Release Order Due**—Aluminum, the first great shortage as this country prepared for war early in 1941, was the subject of priority order No. 1 (BW-Mar. 1 '41, p. 7). Now, since military supply has been shaken down to the replacement level, the first great materials surplus is aluminum. A milestone in light metal and industrial history, comparable in importance to that first priority order, may be reached this month or next.

This would be a release order, or a series of orders, to cut away all, or part, of the government red tape which now forces distribution of aluminum through the Army, Navy, Maritime Commission, Office of Civilian Requirements, and other government claimant agencies.

• **Magnesium Surplus**—There is also a surplus of magnesium, and it would not be surprising if both aluminum and magnesium were included in one release order.

Because both are tied so closely with aircraft production, and because to some extent one of these light metals can replace the other, government policy must affect both at the same time and in the same direction.

• **Up to the Services**—Aluminum producers, fabricators, and secondary smelters met with WPB's high command in Washington last week in an effort to get aluminum distribution cut loose from claimant agency control.

No immediate action resulted. Although Charles E. Wilson, WPB vice-chairman, had a sympathetic ear, his answer was that any release order would have to wait until the military services could convince themselves that the light metals surplus is no temporary matter.

• **Opposing Concepts**—When it comes, the release order will have to reconcile—or override—two opposing concepts.

At least some WPB executives feel that release of the light metals for civilian production should carry reservations to prevent unlimited production of such

items, for example, as cocktail shakers.

The industry feels that the surplus of aluminum is of such proportions that it shouldn't be any of WPB's business whether an aluminum buyer uses his metal for cocktail shakers, cigarette holders, or aircraft instrument panels, so long as the civilian items do not rob an essential activity of essential manpower.

• **Industry's Program**—Manufacturers want the opportunity to engage in what factory managers call "chinking in." This means using the time between war contracts for the production of routine or standardized items.

For example, a washing machine manufacturer working on gun parts might have a few days or a few weeks between major contracts. He wants permission to "chink in" with production of aluminum parts for his postwar line of washing machines.

One argument for such permission

lies in the mechanics of mass production. Before any assembly line can start moving, large supplies of each individual part must be on hand. Even if the washing machine and refrigerator builders can't get fractional horsepower motors—as they can't at present—they could prepare for civilian production by beginning to stock all the other component parts of their products. Then, when fractional horsepower motors become available, production wouldn't have to wait on other parts.

• **Strings on Metal**—I. W. Wilson, vice-president of the Aluminum Co. of America, who presented the "chinking in" arguments before the Senate Truman committee recently, pointed out that although WPB has revoked limitation orders, the producers of aluminum still are prohibited from supplying metal except through the claimant agencies. So the washing machine manufacturers can't get any, except for military items, or except through the laborious processes of the Office of Civilian Requirements.

• **Orders Mean Little**—WPB limitation orders, which aluminum men say mean little because the metal continues to be bound with claimant agency red tape, were augmented this week by a new one which WPB said would make 3,500



STEPPING STONE

With a steel grip on "impregnable" Saipan Island (above), U. S. forces have set up one more vantage point from which to loose a knockout blow at Japan. For the presence of American troops within Nippon's inner de-

fense ring not only is a blow to Japanese morale, but presages stepped-up bombing of Japan itself. Controlling waters in the Marianas, the Navy can now easily service superbomber fleets to bridge the 1,500-mi. gap between Saipan and Tokio—considerably less distance than from Central China.

tons of aluminum available during the third quarter for experimental containers to package food and other commodities.

In the works are plans to make aluminum available for lighting fixtures.

Previous orders made it possible for new dealers to acquire idle aluminum stocks (BW-May 6'44,p82) and have eased restrictions on patterns (BW-May 13'44,p27), on foil and powder scrap (BW-May 27'44,p82), and pigments (BW-Jun. 10'44,p48).

● **Production Reduced**—Aluminum and magnesium production has been cut between 25% and 40% of the originally authorized capacity, and further cutbacks, particularly in magnesium, are expected.

One engineering estimate holds that during the first five years after the war, the demand for aluminum will be about 50% of the total authorized aluminum metal producing capacity, and the demand for magnesium, about 10%.

This would mean cutbacks of 50% and 90%, respectively.

● **Factors in Cancellations**—WPB has ordered light metals cutbacks on the basis of considerations that varied in importance in various localities.

Besides manpower, other considerations have included consumption or production of byproduct chemicals, fuel or power requirements, the raw materials situation, location with respect to trans-

portation, as well as cost of metal.

The Kaiser-owned magnesium plant at Permanente, Calif., using the controversial Hansgirg reduction process (BW-Aug. 28'43,p51), is reported to be operating at full capacity because of its ability to produce a certain type of finely divided magnesium useful in smoke bombs. And Henry J. Kaiser indicates a determination to keep the Permanente magnesium plant in operation after the war.

● **Postwar Outlook**—Disinterested chemical engineers hold that postwar magnesium production in any plant will not be economical except by a company having chemical coproducts.

Some of these engineers hold that Dow Chemical Co., lone magnesium producer before the war, may have the field to itself again, because of the bromine, chlorine, and other brine derivatives that are extracted along with magnesium, in the Dow sea water and brine process.

● **New Competition**—Two of the larger copper companies—Anaconda, a producer, and Revere, a large magnesium fabricator—are expected to remain in light metals.

This may prove to be the most important new competitive force in the light metals intercommodity competition. It is possible, some observers say, that Anaconda and Revere may turn their attention to aluminum, perhaps

bid for some of the government's 600,000 tons of plant capacity.

In an industry as large as aluminum production has become, it seems logical that Alcoa's competition would increase in importance. Privately owned aluminum capacity now includes Alcoa, 450,000 tons; Reynolds Metals Co., 80,000 tons; Olin Corp. (Tacoma, Wash.), 20,550 tons.

Drink Is on F.D.R.

Belief that White House gave go-ahead signal to end the whisky drought removes fears that it's a phony furlough.

Pessimism in the minds of both the trade and the consuming public as to how much good the August whisky furlough (BW-June 24'44,p17) would accomplish in relieving the liquor shortage has been transformed into distinct optimism.

● **White House Acts**—This change of attitude rests primarily on the clear indication that whisky has been given the green light by the White House itself.

The Administration, which rode into power partly on the promise to repeal the 18th Amendment, is apparently intent on wiping out the present drought before the presidential campaign gets rolling. President Roosevelt's personal and political opposition to Prohibition—even its present partial form—is unquestionably reinforced now by his determination to wipe out the black market and kindred evils which are flourishing.

● **McCarran Assists**—With Donald M. Nelson of WPB, Marvin Jones of the War Food Administration, and Bradley Dewey of the Office of Rubber Director, all arrayed against the liquor holiday—on the grounds that it would interfere with alcohol, food, and rubber programs—the order for whisky resumption could have come only from the top authority.

Sen. Pat McCarran's committee, which investigated the whole problem, must, however, be credited with an assist, for it supplied James F. Byrnes, director of the Office of War Mobilization, who officially ordered the furlough, with valuable arguments to counter the objections of other officials. Treasury Secretary Henry Morgenthau's interest in the billion dollars a year of taxes that the liquor industry contributes unquestionably helped, too.

● **Get Wheat and Rye**—The distillers were principally worried about whether WFA would release the necessary grain, but that concern has been wholly eliminated. They won't get corn, grain sorghums, or molasses, but they will get



REPAIR FOR DESTRUCTION

Now in complete possession of the Cotentin Peninsula and Cherbourg, its great port, the Allied Command has reached the ultimate goal in the invasion's preliminary stage—control of a major supply base for the big push

inland. The main job at hand is the immediate patching of Cherbourg's harbor facilities, and the area's wrecked rail lines (above). Both are vitally needed to unload and haul the welter of giant artillery pieces and heavy equipment to spearhead the coming Allied drive across France.



THROUGH THE NIGHT

Grand Coulee Dam, Wash., is as awesome a spectacle by night as by day. Originally planned for an ultimate

capacity of 1,944,000 kw., the mammoth project at present is rated at 798,000 kw., having in operation a bank of six 108,000-kw. hydro-turbines, and two additional turbines—

diverted from Shasta Dam—of 75,000 kw. each. Powering important metal-producing industries in the area, Grand Coulee has reached monthly peaks of better than 600,000,000 kwh.

all the wheat and rye that they need.

And if there was any doubt about whether they would be able to produce the anticipated 50,000,000 proof gallons of beverage spirits in August (38,000,000 is average) that doubt vanished when WPB announced that regular industrial alcohol producers would be permitted to divert up to 50% of their August production to beverage purposes, for sales to distillers and rectifiers.

The ban on Sunday distilling has also been lifted under a wartime law designed to insure maximum production of alcohol for war purposes. Now the whisky makers will be able to operate seven days a week, 24 hours a day.

• **Worst Is Over**—The declining demands of the rubber program from now on—Rubber Director Dewey told Byrnes in mid-June that the turn had come—is the biggest factor in making possible a resumption of liquor production.

Distillers are confident that this situation, coupled with the White House attitude toward Prohibition, means that the whisky supply situation will never be so bad again as it was recently. They think partial production will be approved even after the furlough ends.

Distillers have worried about the reaction to wheat and rye spirits of a con-

suming public whose taste was attuned to corn. But most of the furlough alcohol will be used for blending with existing stocks, and besides, the industry figures that any grain liquor will be more acceptable to the nation's drinkers than the cane and fruit spirits they've been forced to take, and like, for so many months.

• **Containers Tight**—Their biggest worries now are bottles and shipping containers—both under allocation. They believe that bottles will be made available, but containers are uncomfortably tight.

Principal beneficiary among the major distillers of the August holiday will probably be Distillers Corp.-Seagram, leading seller of neutral-spirits-blended whisky. Throughout the shortage period Seagram stubbornly refused to use cane or fruit spirits for blending, although all its competitors did. Seagram was even forced to redistill some of its precious whisky stocks into neutral spirits for blending purposes.

Only company that has any reason to regret the holiday is Schenley, which has invested heavily in Cuban cane spirits.

Including import duty, this alcohol stands the company several times what it will cost to produce grain alcohol in August.

Rail Load Soars

Freight, passenger hauls are bigger than ever, but roads face the autumn peaks with more equipment and labor.

Although the big traffic peaks of 1944 still lie ahead, railroad executives are even less fidgety now than they were in previous years. No letup in the wartime load is yet in sight, but the roads think that from here on the strain on their carrying capacity won't get much worse.

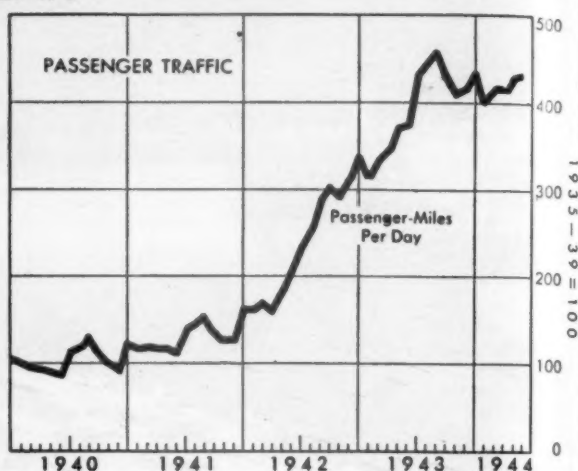
• **Three Factors**—This optimistic forecast is based on at least three factors: (1) Traffic experts predict that demand for transportation at the autumn peak will not run substantially above last year's; (2) production of new railroad equipment—while a lot less than the roads would like—is enough to fill the most urgent needs; (3) best of all, from the railroads' viewpoint, the drive for additional manpower is paying off, and the total number of employees has been rising since February.

In spite of the anxious clucking of the Office of Defense Transportation, the

RAILROADS AT THE WAR PEAK



Data: Interstate Commerce Commission, Dept. of Commerce



By adding almost 70,000 workers to payrolls in five months and thus achieving a 5% employment increase, the nation's railroads have been able to ease considerably their chief headache, manpower shortage (BW—Feb. 12'44, p9). What's more, passenger traffic, above year-ago levels, is now rising seasonably, but may not surpass the 1943 peak in August, now that more soldiers are overseas and fewer are traveling here. Freight movement is already up to last autumn's peaks but may not push much higher, since basic industrial and agricultural output has been running on a plateau. In short, the roads aren't comfortable yet, but the worst dangers in transport prospects are past.

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roads are sure that they will get past the August and October peaks with nothing worse than an occasional local car shortage. Freight traffic for the year almost certainly will top the 727,048,000,000 revenue ton-mile record of 1943, but the extra load is being distributed fairly evenly, not concentrated at the peaks.

• **Revenues Level Out**—In the first month of this year, revenue ton-miles ran 9.9% ahead of 1943, but the average for the first quarter was only 6.8% up. By May the five months' average was down to 5.3% above 1943.

Railroad men expect this leveling-out process to continue for the rest of the year. With war production reaching its peak and with agricultural output expanded about to the limit, the aggregate demand for freight transportation should run along on a fairly level plateau until the over-all munitions program is cut.

• **Freight Deliveries Up**—Even the European invasion has had less impact on domestic transportation than many ex-

perts had predicted. Deliveries of export freight jumped to about 6,000 cars a day during May, largely as a result of preparations for invasion. This was 40% more than the same month of the previous year, but it made only a small splash in comparison with total freight movement within the country, which runs about 135,000 cars a day.

Equipment production in the first half year was a disappointment, but most roads think they can get by with what they have as long as they keep turnaround time and bad order cars at a minimum. WPB's schedules call for production of 50,000 cars and 1,200 locomotives in 1944. Production through May averaged only 2,500 cars a month, slightly better than half the scheduled rate. Locomotive production also is dragging along behind schedule, with only 417 steam, electric, and diesel locomotives installed in the first five months.

• **Touchy Problem Solved**—ODT's dream of getting 20,000 cars in addi-

tion to those scheduled was dropped quietly when the Army expanded its tank program instead of coming through with the cutbacks that ODT had been counting on. This automatically eliminated the touchy question of who would pay for the extra cars.

For the past six months, railroad men have been less worried about equipment than about manpower (BW—Feb. 12'44, p9). Though still a headache, this situation has been improving gradually.

• **50,000 New Workers**—Intensive recruitment, employment of women, and willingness to accept green labor have boosted the total of Class I railroad employees from 1,357,252 in January to 1,425,192 in May. The drive for new manpower picked up speed during the spring, so that almost 50,000 new employees have been added since early March.

As things stand, the roads still would like to get about 90,000 more workers, but most officials think they could get

along with less if they had to. The big worry now is not so much numbers as experience. One rail man says that the roads have been "losing men and replacing them with statistics." Another says the rule on his road is, "Hire any man if he's warm and can wiggle a toe."

● **Needs Listed**—At the end of May, when the roads required about 100,000 extra men, the U. S. Railroad Retirement Board broke down the needs as follows:

Executive, professional men, etc...	4,379
Trainmen and engineers	6,661
Skilled trades journeymen	14,352
Skilled trades helpers, etc.	14,101
Laborers	58,850
Attendants, cooks, porters, etc.	1,726
Miscellaneous	902

Although the laborers and apprentices classes account for almost three-quarters of the total, the shortages that hurt worst are the trainmen and professional men (which include telegraphers, dispatchers, and the like). The most acute shortages still are on the western lines.

● **Passenger Load Heavy**—Confident as they are about handling freight, railroad men still keep their fingers crossed when they talk about passenger traffic. When Class I roads added up the score for 1943, they discovered that they had hauled a total of 87,842,000,000 revenue passenger-miles, and they wondered how they had managed to do it. In early 1944, they swallowed hard when the increase kept on at the same breakneck rate.

Passenger traffic in January ran 28.2% above January, 1943. February was about the same. The next three months showed a fairly substantial tapering off, but now the total is on the way up again.

● **Troop Movements Decline**—Rail men admit that they can't predict where the passenger figures will go from here. There are several factors, however, which should at least slow down the rate of increase from now on. For one thing, troop movements are declining steadily as more men go overseas. A year ago, the roads were moving about 2,000,000 men a month on official orders, and another 1,500,000 on furlough. Now the totals are down to about 1,000,000 or 1,250,000 in each category.

The roads also think—a little bitterly—that the difficulties of traveling sooner or later will put a damper on the public's passion for going somewhere. Passengers, who have become accustomed to standing or sitting on suitcases, now find on some lines that there isn't room on the trains for all of them. This situation is spotty. Some routes—for instance the lines out of Atlanta—are overtaxed regularly. On others, trains still run without a full load.

Job for Cannery

Despite labor shortage, industry expects to handle bumper crop in its stride. Civilians may get a break.

Fresh fruit and vegetable canners may not know yet what ceiling prices they will be allowed to charge this year (page 7), but it looks as though they have a bumper crop on their hands, and they are buckling down to the job of getting it into tin and glass. Prices can come later.

● **Just Another Hazard**—Although canners traditionally beef at OPA's slowness in setting prices, they have come to accept this—along with the weather—as an occupational hazard to be taken in stride. Labor shortages, another chronic source of complaint, were bad last year and may be worse this year. Canners admit privately that they expect to dig up enough manpower to do the job adequately, although some of the fancy trimmings of former years may be omitted.

When the crops start ripening, the urge to get them into tin comes over the veteran canner, and it is usually strong enough to overcome a few obstacles.

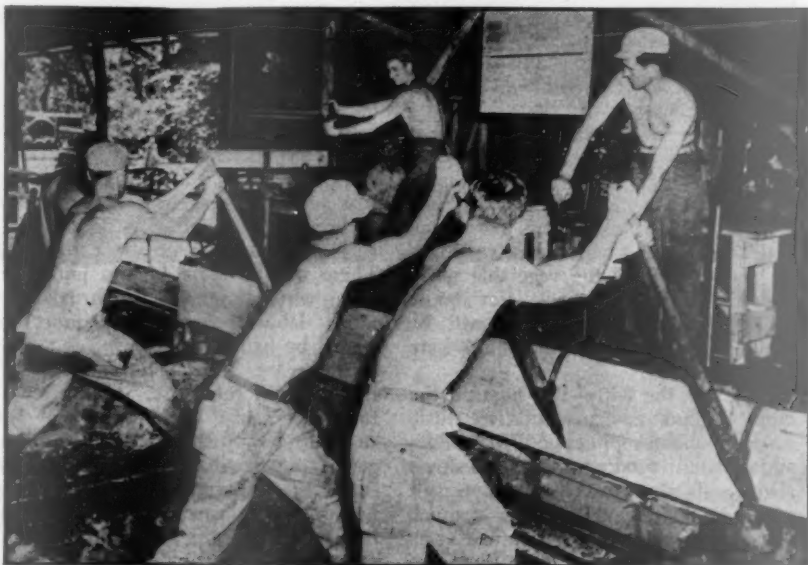
● **Seven Fat Years**—This year, the United States is enjoying the seventh in a biblical succession of fat years (individual crops have been off—deciduous fruits were light last year—but the overall crop record has been good). This may bode ill for 1945, if the lean years follow the fat, but canners are concentrating on the outlook for 1944.

This is for a record-breaking canned vegetable pack of 214,900,000 cases (including tomato juice and other tomato products, but excluding such related specialties as soup and baked beans). The 1943 pack was 192,700,000 cases; the 1942 pack, 209,400,000 cases; the 1937-1941 average, 117,900,000 cases.

● **Based on Percentages**—The 1944 deciduous fruit and berry pack is estimated at 60,300,000 cases, compared with 44,600,000 cases in 1943, and 57,-

SOUTH SEA LUMBERJACKS

Near battle lines on New Britain Island, American soldiers strain muscles to slip a log in an Army jungle sawmill. Neither manpower nor trees are scarce for this G.I. mill which supplies local needs, thus saving shipping space and pressure on hard-pressed loggers back in the States.



Canned Foods—Enough to Get By

Civilians should get about the same total quantity of canned vegetables this year as they did last. The armed forces will take a big share of the pack that is just starting, but a good carryover plus heavy contingency reserves (held by the packers as a hedge against possible military emergencies), which may be released some months from now, should see civilians through.

Hitch is that, with the exception of corn, supplies of the most popular canned vegetables probably will be a little short. More canned soup and baby food won't compensate the

man in the street for such shortage.

Canned fruit, which was tight last year, will be even tighter. The carryover is small, and there is no potential windfall in the form of contingency reserves.

War Food Administration experts think their estimates—based on crop prospects as of the middle of last month—may be a little optimistic with respect to vegetables, but are just about right for fruit.

Figures are in millions of cases of 24 cans—No. 2 (20-oz.) cans for vegetables and juices; No. 2½ (28-oz.) cans for fruits.

	Total Civilian Consumption 1943 Pack Year	Estimated Civilian Share of 1944 Pack ¹	Carryover July 1, 1944 ²	Military Contingency Reserve 1944-45
Vegetables (including vegetable juices, soups, baby foods).....	181.0	173.0	23.7	10.0
Corn.....	20.5	23.3	48.1	1.0
Peas.....	23.7	18.3	1.0	2.9
Snap beans.....	14.9	11.2	2.7	1.2
Tomatoes.....	19.1	13.6	3.5	1.5
Tomato juice.....	12.1	13.4	3.2	1.4
Fruits (except citrus) ³	30.6	27.2	5.9 ⁴	None
Peaches.....	8.7	6.2	0.9	None
Pears.....	2.7	1.1	0.3	None
Pineapple.....	6.9	4.0	1.0	None
Apriots.....	0.3	2.4	None	None
Fruit cocktail.....	3.5	2.1	0.5	None
Citrus Juice ⁴				
Grapefruit.....	13.5	15.5	Unavailable	None
Orange.....	1.6	2.9	Unavailable	None
Blends.....	1.5	4.3	Unavailable	None
Lemon.....	0.2	0.2	Unavailable	None
Canned juice (except tomato and citrus).....	9.4	12.5	3.2	None

¹ Based on pack estimates as of June 20, 1944.

² From Office of Price Administration estimates.

³ No canned citrus products, other than juices, are available to civilians.

⁴ Includes 1.2 million cases of olives. Olives also included in group totals from other columns, but in much smaller quantity proportionately.

500,000 cases in 1942, and a 1937-1941 average of 48,800,000 cases. The citrus pack is expected to continue high for the third successive year.

All this adds up to a break for the civilian consumer. Military and export requirements are based, item by item, on specific percentages of the 1942-1943 pack averages. Civilians get whatever may be left over. The bigger the pack, the more they get.

On the basis of present crop forecasts, government requirements will eat up about 40% of the vegetable pack, and 55% of the fruit pack. For almost all items, military purchases will be much heavier this year than they were last.

• **May Get the Kitty**—But because the crop is good, civilians will fare little worse. Civilian supplies of all vegetables and related products will be down slightly (box), but the situation isn't quite as bad as it looks at a quick glance. There is a bigger canned vegetable carryover this year than there was

last, and the canners will have in the kitty 10,000,000 cases held for the armed forces as a reserve against emergencies.

Unless the war goes very badly, these contingency reserves probably will be released gradually to civilians.

Supplies of the major vegetables—corn, peas, snap beans, and tomatoes—will be cut more sharply than the total. Military takings are heavy. Part of the midwestern pea crop was flooded out, and part was stunted by early heat. There will be more tomato juice, but fewer whole tomatoes which take too much labor because they must be peeled by hand.

• **Fruits Are Tight**—The canned fruit shortage will get worse. The carryover from last year's blighted pack is too small to be worth counting. Contingency reserves have been set up on fruits, as on vegetables, but the Army has already indicated that it intends to buy them up right along with specific reserves. So as far as civilians are con-

cerned they might as well not be there.

Civilians can console themselves with the fact that if this weren't shaping up into a bumper year for deciduous fruits, they would get even less. Also, they will get some apricots which passed them by in 1943.

• **Public Is Optimistic**—Apparently, civilians aren't afraid that they will miss any meals. There will probably be fewer victory gardens this year than last (though production per garden may be somewhat higher). Lower prices on commercial supplies of fresh fruits should enable housewives to eke out their rations with home-canned fruit, however.

OPA and War Food Administration publicity men are over a barrel. If they say too much about the shortage of the commercially canned crop, housewives will rush to the stores to spend their ration points. If they pooh-pooh shortages, such tactics many discourage home canning.

• **New Controls to Help**—Last year, canners, operating under price ceilings, were forced to bid against an uncontrolled market in fresh produce. This year, OPA and WFA have done a better job of getting the fresh market under ceilings. (Strawberries were the exception. The crop was short, ceilings were late, and the processors lost out.)

Canners expect to have other advantages this year. Growers may be expected to have trouble getting labor, containers, and refrigerator space for shipment to fresh markets. When the crops ripen, growers will be forced to unload them at the canneries' doors (or so the canners hope).

• **Fears Allayed**—A few months ago, canners suffered from a severe attack of peace jitters (BW-Mar.4'44,p24). Inventories of some vegetables, weighted down with heavy point values, were high. Government inventories were high, too. Canners remembered the shellacking they took after the last war, and they didn't like the looks of things.

Government promises to take care of surpluses and OPA's ration holiday on canned vegetables have allayed their fears. To keep inventories from piling up again, OPA will keep point values fairly low to stimulate buying this fall and winter.

The ration holiday has already ended on peas, asparagus, and tomatoes. Other vegetables may have point values again by early fall.

• **Relations Improve**—Canners still aren't convinced of the need for rationing, but OPA-canner relations have been considerably improved since OPA has worked with a trade committee (including wholesalers and retailers) which mulls over point values and makes recommendations every month.

What of Planning?

Shortages and gluts of farm products recur despite planned production. WFA says it's better than none.

A year ago pork was rationed. Today there is a huge surplus, slaughterers are swamped, and storage facilities are filled to overflowing.

A year ago it looked as if eggs would be scarce, and the country was warned of acute shortage to come. Today eggs are being bought by the government at support prices and sold at 5¢ a dozen for animal feed (BW—Jun.10'44,p41).

• **The Story Changes**—Three years ago the nation's granaries were not big enough to hold the huge oversupply of corn. Six months ago there was an acute shortage of corn and other animal feeds that all War Food Administration's stopgap efforts were powerless to remedy. This week restrictions on sale of farm corn were lifted on "reasonable assurance of sufficient corn . . . until the next crop is available." The Corn Belt is talking of another bumper 3,000,000,000-bu. harvest and is beginning to worry about feed surpluses again next winter.

• **Flood of Protest**—These rapid turnabouts have been blamed on a government farm program which has attempted to substitute planned production for the operation of the old law of supply and demand—a law which it was felt could not be allowed to operate because of the ever-present danger of inflation.

And the result has been the biggest storm of editorial invective since the plowing under of the little pigs a decade ago.

• **Better Than None?**—Here, in brief, is the story of what lay back of the food and feed "blunders" that have caused the greatest public alarm. It's a story made to order for those who want to make political capital out of it, but essentially it's just the old story of the fallibility of human judgment, justified by the Administration and WFA this time on the argument that the exercise of even fallible judgment has been far better than if nothing had been done.

• **A Case History**—WFA officials admit that hindsight puts them in the wrong in their handling of the corn-hog situation. They asked farmers to produce 121,000,000 pigs in 1943—15% more than in 1942. At the same time, feeling secure in a record supply of feed grains (more than 141,000,000 tons), they upped the 1943 feed acreage goals for all livestock only 2%.

Farmers exceeded this goal, but per-acre yields were smaller, and the 1943-44 feed supply was less than 132,000,000 tons. For the first time since the 1936 drought, it became necessary to import feed—wheat and oats from Canada, barley and corn from Argentina—as corn disappeared into a 1943 pig crop stimulated by boosts in support prices to a grand total of 122,000,000 head.

• **Glutted the Market**—Farmers were then asked to rush the pigs to market so as to lessen the drain on the feed supply. So well did they comply that hog markets were glutted, prices fell below the raised support prices, and then farmers held back their hogs—to consume more corn (BW—Apr.15'44,p49).

All this time processors supplying corn products to war industries were finding it more and more difficult to buy corn. Plants shut down, and government managers were forced to restrict sales and to order corn set aside for government purchase. After a long period of continued tight supply, this situation has at last begun to ease off, as evidenced by the lifting of the sales restriction order. Set-aside orders are still in effect, however.

• **Acreage Uppe**d—So far as the near future is concerned, the largest acreage of corn in ten years has been planted. Re-

ports from producers indicate that they are planning on only 56,000,000 pigs this year—undershooting the 1944 goal by 17,000,000 head. Furthermore, they plan to breed only enough sows for the farrowing of 32,000,000 piglets this fall.

Taken together, these factors seem to indicate a certain surplus of feed and shortage of pork and lard (BW—Jul.1'44,p24) in 1945.

• **Looking Back**—WFA concedes that if feed acreages had been increased last year to match increased hog production, there would have been no difficulty in feeding the record hog population, and supplying plenty of corn for war industries as well. But corn competes with soybeans for acreage. So that would have meant fewer soybeans, which were vitally needed for vegetable oils to offset the reduction in supplies from the Orient.

The managers chose oil. The result was a record crop of soybeans—so large a crop that there was a shortage of processing equipment, and much of it had to be processed in cottonseed and flaxseed mills outside of the Corn Belt, at government expense.

• **Wheat Disappears**—Besides eating all the available corn, the little pigs that stayed home, and the other livestock,

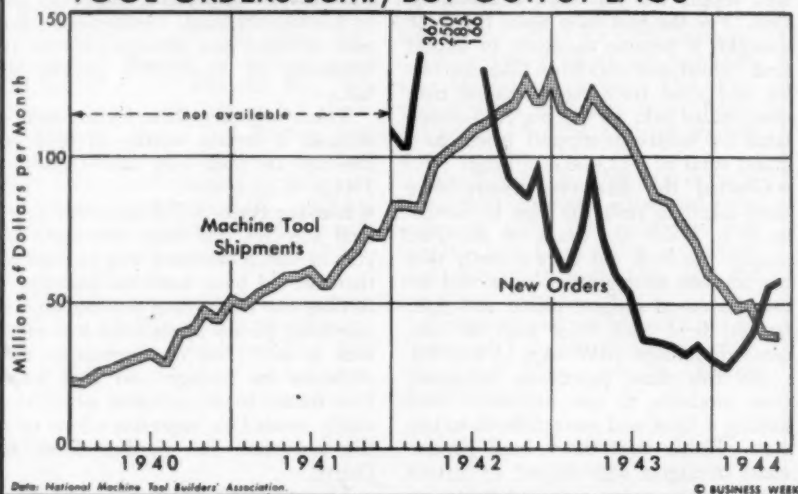


TVA PROJECT BOOMS

Helmeted workers watch from the sidelines as one of the greatest explosions ever set off on a construction project reverberates through North Carolina's hills. In one terrific roar, this blast by 208,700 lb. of explosives tore down a 400-ft. cliff and provided 650,000 tons of rock for Tennessee

Valley Authority's huge Fontana Dam. Slated for completion this year, this 460-ft. dam on the Little Tennessee River will be among the nation's four highest. Its capacity as a flood-control project and a 200,000-kw. hydroelectric generator will be supplemented by five dams owned by Aluminum Co. of America but now under TVA control (BW—Jul.31'43,p27).

IN THE OUTLOOK: TOOL ORDERS JUMP, BUT OUTPUT LAGS



Machine tools again loom as a bottleneck, both "for the duration" and for reconversion. That's what crossing of the orders and shipments lines means. Boosts in artillery and other requirements, and changes in aircraft and other designs, started tool orders rising recently—and now, WPB is permitting war contractors to order ahead on reconversion tools. But the industry can't meet demands. Orders for

new war plant tools were mostly all in by mid-1942, and once the industry began to catch up with backlogs, shipments started falling, and were expected to go on down through 1944. As operations eased, tool companies lost skilled manpower, and the continued drop in 1944 shipments evidences their inability to recover. Nor is there much war work from which they can shift manpower to lift tool output.

consumed 500,000,000 bu. of wheat in 1943—almost as much as was eaten by humans. And another 100,000,000 bu. of wheat were processed into industrial alcohol—also for lack of corn.

Officials estimate that the wheat carry-over as of July 1 was less than 300,000,000 bu. (it was more than 600,000,000 bu. a year ago), to which will be added a 1944 crop now estimated at something over 1,000,000,000 bu. The total prospective supply thus is about the same as the 1943-44 disappearance of more than 1,300,000,000 bu., leaving no margin of safety.

Washington hopes to avert a wheat deficit by reducing the quantity fed to livestock to 375,000,000 bu., and the quantity going to war alcohol to 30,000,000 bu.

• **Milk Production Off**—Dairymen were asked to increase production of milk in 1943. But the dairies of the Northeast couldn't lure feed out of Iowa as long as hog feeding was so profitable, and corn so short. Due largely to the feed shortage, milk output fell well below the goal, and rationing has been avoided only by the narrowest of margins.

The goal for milk this year is more than 121,000,000,000 lb. But produc-

tion is expected to fall at least 2,000,000,000 lb. short, despite a \$400,000,000 subsidy which is being paid to dairy farmers.

• **Surplus of Eggs**—The egg goal for 1943 was an 8% increase over 1942, and an additional 2% was asked for 1944. Producers so far exceeded these estimates that storage plants are bulging with eggs, and WFA has been forced to purchase a huge quantity to support prices to farmers. In order to move this surplus into human consumption channels, WFA would have had to lower the retail price. But this would have amounted to a rollback—anathema to farmers—so WFA is converting the eggs into tange instead.

The record of managed agriculture extends in other directions to include sugar beets, dry beans, peanuts, and potatoes (all crops below production goals this year, despite increased subsidies). The latest report on potatoes is that more than 200,000 tons of last year's surplus have been dehydrated for cattle feed and industrial alcohol production.

• **It Isn't Simple**—Much of the 1944 crop acreage has been planted, and the pattern of livestock production is pretty

well set. Meanwhile, WFA planners have begun work on crop production goals for 1945. Cutting here, adding there, they are trying to avoid the mistakes of the past.

But they point out that planning for farm production is not as simple as setting goals for the output of steel or tanks. Two big intangibles enter the problem—the weather, and the farmer themselves. In the first place, they say you can't set individual goals for the nation's millions of farmers the way you can for the comparatively few steel mills or tank arsenals. And even if you could, efficient enforcement controls just aren't available. Finally, they point out, steel or tank planners don't have to worry about a drought drying up 50% of their scheduled production, or about a flood washing it away.

Back to War Job

Renewed demand for tanks brings novel reconversion to locomotive manufacturers, and bigger task for auto firms.

Reinstatement of tank production, on an undisclosed but apparently enormous scale, is one of the first effects of the invasion on war production.

For some producers, notably the locomotive manufacturers who finished up their original tank contracts months ago and returned to rail equipment work, the new job will represent a novel kind of reconversion—back to war production.

• **Original Plants Affected**—The program is believed to include both light and medium tanks, and apparently will involve stepping up to capacity the production of M-4 Sherman mediums at the Fisher, Ford, and Chrysler plants in Detroit which have been operating at a reduced level since the big tank cutback of somewhat more than a year ago (BW—May 27 '44, p18).

In addition, Baldwin Locomotive Co. at Philadelphia, which is now making tank parts; American Locomotive Co. at Schenectady, N. Y.; Lima Locomotive Co. at Lima, Ohio; and Pullman-Standard Car Manufacturing Co. and Pressed Steel Car Co., both at Chicago, may all have a share in the new program, for these plants were making medium tanks before they were cut back. It is not planned to bring into the program at present any plants which were not producing tanks earlier.

• **Modifications Ordered**—As in the case of M-4's, the extent to which production of light M-5 tanks will be increased also is a military secret. Cadillac, at De-

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When the field is won, planes land heavier equipment, and facilities are repaired for use against the enemy. Miniature construction machinery is flown in, and skilled technicians speed rehabilitation of the area with their compact, efficient equipment—tractors, bulldozers, sheep's-foot rollers, graders. When they finish, they are flown to other assignments, and the fighters stay behind to hold and use the field while ground forces fight overland to join them.

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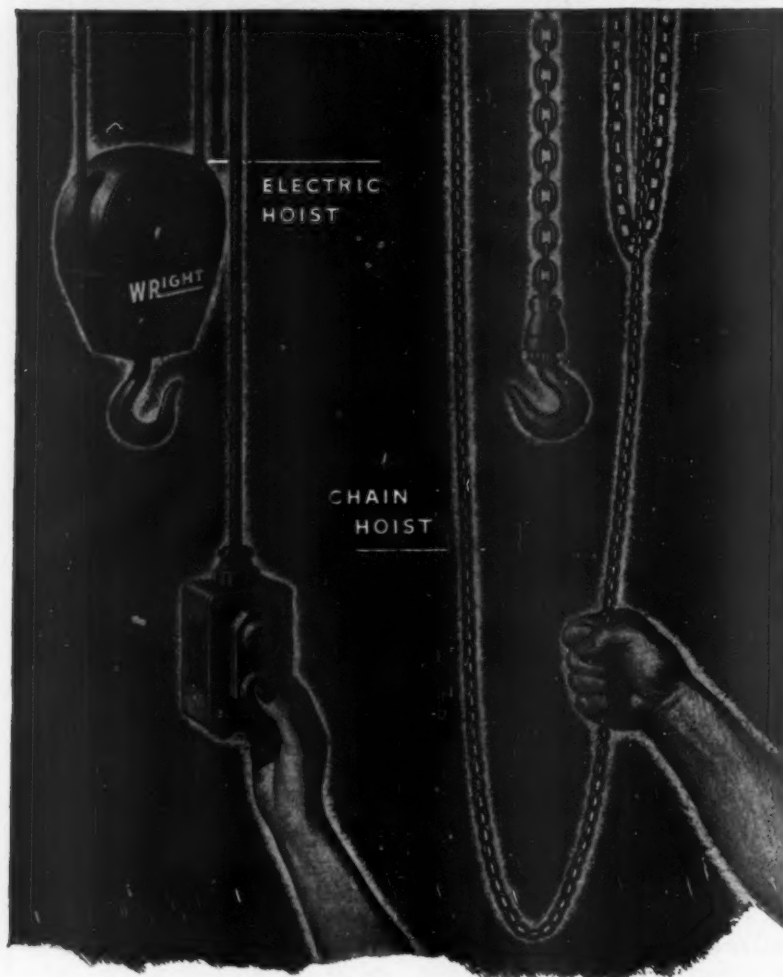
FIGURING AND ACCOUNTING MACHINES are also being produced by Burroughs for the Army, Navy, U. S. Government, Lend-Lease and those business enterprises whose requirements are approved by the War Production Board.



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The introduction of women in men's jobs has made it necessary to reduce manual lifting and handling to as near a minimum as possible. Wartime demand for speedy production has also been responsible for increasing the popularity of the electric hoist.

On many jobs hand-operated chain hoists are more practical as well as more economical. They serve important uses in industry and at the scenes of battle action.

Wright Hoists and Cranes, like all Acco products, are essential in peace, vital in war.



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troit, is the only plant now producing the M-5.

If M-5 production moves outside of Cadillac, it will go either to the Massey-Harris Co., plant at Racine, Wis., or to either of the American Car & Foundry plants at Berwick, Pa., or St. Charles, Mo., both of which were making light tanks before the cutback.

It is known that American Car & Foundry is to get a contract for modification and rehabilitation of about 1,200 light tanks, most of them M-5's but some of them the earlier M-3 light tanks, and the guess is that the work will be done at Berwick.

● **Invasion Losses**—Invasion losses of materiel on the Normandy beachhead were heavier than anticipated. A considerable part of the losses appears to have been due only indirectly to enemy action. Stories of the landings indicate that both poor weather and enemy shore defenses ganged up on landing craft to cause considerable loss of materiel in the sea.

Greater losses than normal also have been reported from the Italian front where the fighting has moved onto terrain considered more suitable for tank warfare.

New Cars—When?

Auto manufacturers may get the answer soon from WPB. Meeting called to talk over a quota system for output.

Automobile manufacturers going to Washington for a meeting July 14 with WPB on reconversion expect to come out with much more solid findings than those that developed in their first session as an advisory committee (BW—Apr.22'44,p16).

● **Questions Answered**—All the passenger car makers have sent briefs to WPB outlining viewpoints on problems which the government agency wanted clarified. The individual company reports presumably are being collated now, and decisions based on the industry information are expected to be revealed next week.

There is no general likelihood that an approximate date for resumed production of passenger cars will be set, although some quarters hope for one. It was made plain in the April meeting that no auto output could be permitted until victory in one war theater or the other was assured, or, as Donald M. Nelson put it, until war goods output was reduced one-third.

● **Protests Are Certain**—Of more immediate importance is expected to be

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Even if you are only 40—or 35—here are some things you should know about growing old...

Since 1900, the average life span of Americans has increased about 17 years—a wonderful record.

One result of this trend is that more people now live to a ripe old age than ever before. About nine million Americans are now 65 or older.



However, the goal of medical science is not only to add years to your life, but also *life to your years*. Old age without good health can be a heavy burden... with health it can be useful and contented.

Doctors are doing wonders to help elderly people who suffer from the



chronic illnesses of later life—such as diseases of the heart... diabetes... cancer... Bright's disease... arthritis.

But doctors know that the best way to be healthy at 50, 60, 70 and beyond is to take care of your health at much younger ages. The reason?...

Diseases common to later life seldom appear suddenly. They creep up gradually, quietly gathering force for a number of years before they strike or become disabling.

The moral: Now is the time to start taking care of your health—before you



grow old. Visit your doctor regularly for medical checkups. Give him the opportunity to discover conditions which might lead to later disability... to uncover diseases in their early stages when they may be arrested or cured. Let him advise you about correcting faulty habits or living conditions which may be shortening your life.

As years pass, these suggestions will help you keep healthy and happy...

Keep your mind open to new ideas. Take up a hobby. Remember that, with age, less food may be required, but it should be carefully chosen. Regular, undisturbed sleep is essential. Drink plenty of water. Get sunshine, fresh air the year round. Moderate exercise helps keep muscles firm, the circulation active.

At any age, good health is a priceless asset. Guard it in every way.

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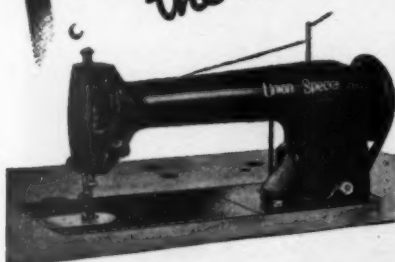


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SURVEY INDICATES..

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Needle trades
expect higher
production
levels after
the war!

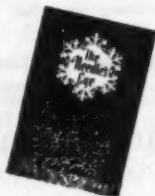


RESPONSES received in a recent survey* in the needle trades among producers of work garments, canvas goods, knit goods, bedding, clothing, etc., indicate that 57% expect higher production levels after the war — 83% are making post-war plans now — 73% expect to modernize — 85% anticipate present or higher employment levels — and 67% look for existing or higher wage rates.

To meet these postwar conditions successfully will require extensive use of modern industrial sewing machines such as Union Special builds — machines designed specially to do a given job better and faster at lower cost whether sewing tea bags or tarpaulins.

Union Special sales engineers are ready to show you what is available to help improve your sewing production on postwar work as well as on today's production of war and essential civilian items. Write for the location of the Union Special branch office nearest you.

*For complete data on the survey, write for a copy of the December number of our publication, **THE NEEDLE'S EYE**.



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Plane Makers Scramble for Bus Business

Widely different answers to one of the big postwar questions—how to gear the vast productive power of aircraft companies to civilian needs—are beginning to be offered.

Brewster, bereft of government contracts, is still seeking WPB approval for using its aluminum inventory to fabricate kitchen utensils and lightweight suitcases (BW—Jul. 1 '44, p21). The Aviation Corp. continues preliminary work on the production of household appliances (BW—Jul. 1 '44, p84).

• **Aircraft Into Buses**—And now Consolidated Vultee strikes out in a new direction under an informal agreement with the Greyhound Corp. covering fabrication of three experimental highway buses. Their reputedly radical designs are being developed under the scrutiny and with the co-operation of Raymond Loewy, Greyhound's industrial design consultant.

While Douglas has declared its intention to major in aircraft production (accounting for its lack of interest in buses), North American—

making the Douglas B-24—is reported to be angling with Greyhound for an opportunity to submit its conception of what a really good bus should be.

• **G. M. to Compete**—Not to be squeezed out of the lucrative bus field by any upstart aircrafter, General Motors is getting started on its own designs for Greyhound.

Back of all this activity is the unconfirmable but widely reputed desire of Greyhound to pit aircrafter against automotive builder in the achievement of a superbus.

• **It's Two Years Off**—Two years of testing will probably be required for determining whether the vehicle will be built along the lines of lightweight airframe construction or in accordance with recognized automotive principles.

Whatever the ultimate verdict, bus operators predict that the winning design will have both upper and lower decks, and will carry a total of no less than 50 passengers in comfort and safety.

WPB's decision on the volume of manufacturing to be permitted. Washington's ruling on this score is almost sure to register sharp dissent, no matter which direction it takes.

Big companies are pressing for a uniform percentage quota based on some year like 1941, when 3,744,300 passenger cars were produced. Their suggestion for an industry figure is 2,000,000, a curtailment of 46.6% from 1941.

Smaller companies, on the other hand, are seeking a less drastic reduction from 1941 levels. They maintain they cannot operate profitably at a near-50% cut, and that their reductions should be somewhat smaller than those handed to the volume producers.

• **Relative Importance**—The big companies have a ready answer to this stand. A 50% cut works as much hardship on a large producer as a small one, they say, because unit volume, whether large or small, is not as significant as relationship between manufacturing levels and capacities.

They say further that all auto companies should be able to produce profitably at a 50% level today because they are bolstered with war work which maintains a proportionate share of overhead. As war work diminishes, they expect allocations for passenger cars to rise.

• **Trucks Not Included**—Actually, an allowance of 2,000,000 passenger cars during an initial year of allowable pro-

duction would make a better picture for the auto industry than appears on its face, because that total would include no trucks.

Truck output for military and civilian purposes is scheduled today at a rate around 1,000,000 units, and this figure is not expected to change much in 1945. The industry, therefore, would be producing around 3,000,000 vehicles, or close to two-thirds of its volume during 1940 and 1941.

Further, most of the industry is urging that a lengthy period be specified in which a set number of passenger cars can be built, rather than splitting the allowed output by quarters or months. Granting of a blanket allotment for a year's time, the companies maintain, would permit the working off of the entire run on a profitable basis, rather than having to spread it out at a thin and perhaps profitless rate.

• **May Set Pricing System**—Some formula may also be outlined at the Washington meeting on pricing of new passenger cars. The auto companies have worked out their ideas on how the cars will have to be priced to cover advanced labor and materials costs.

Estimates of the advances from 1942 model quotations point to increases of 20% to 40%. WPB, with OPA's approval, likely will indicate to the auto companies the allowable size of price advances.



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By **JUAN TRIPPE**, PRESIDENT PAN AMERICAN WORLD AIRWAYS SYSTEM

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aircraft manufacturers — will come the knowledge and the means to provide faster, more economical, and comfortable service . . . bringing world travel within the reach of common men everywhere.”

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ONE of the most important factors in the "miracle of production" which American industry has achieved in spite of labor shortages has been the greatly increased use of air power. In many plants, however, inadequate air supply has prevented the fullest development of air operated tools and processes because of the difficulty of securing the heavy equipment needed to expand central air facilities.

To meet this situation Wayne has introduced the Auxiliary Unit Plan which enables any plant to increase air supply quickly and inexpensively. Under this plan auxiliary units are used in new departments or buildings where the central air supply is not piped or where air at higher pressures may be needed. Ask for details of plan and catalog showing complete line. Wayne Compressors are backed by Nationwide Service.

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Relief Buying Set

FEA, purchasing agent for UNRRA, will contract in two phases to upset markets as little as possible.

Are there goods enough in the world to supply the requirements of war and the requirements of relief in the liberated areas?

That question will be answered by the operations of the United Nations Relief & Rehabilitation Administration for which Congress appropriated \$800,000,000 as one of its last acts before taking a recess until Aug. 1. One sure bet is that UNRRA can't meet the minimum clothing needs of Europe without impinging on U. S. civilian supply.

• **Needs Estimated**—Foreign Economic Administrator Leo T. Crowley estimates that, within the next year and a half, the liberated areas will need "essential imports" worth \$7,500,000,000.

As a starter, the Army has \$532,000,000 to spend for those essentials, and UNRRA, in time, will have about \$2,000,000,000. The rest will be paid by individual governments, or by private purchasers in the importing countries.

• **Food the Chief Item**—UNRRA has already begun to buy. The first estimate presented to Congress for the U. S. share of its expenses was \$997,000,000, which was to have been divided thus:

Food, \$373,000,000; food-production and processing supplies, \$56,000,000; clothing, \$214,820,000; health supplies and soap, \$69,000,000; repair and operating supplies, \$100,000,000; relief services, \$30,000,000; procurement expenses, \$4,000,000; transportation, \$146,000,000; United States' share in administrative expenses, \$4,000,000.

FEA, U. S. purchasing agent for UNRRA, is scaling down these estimates to fit the \$800,000,000 appropriation.

• **Seeds to Shoes**—In Normandy and elsewhere, the Army is expected to disperse relief for six months, then turn the task over to UNRRA.

Among other items, UNRRA will want to buy 215,000 metric tons of seeds, and 425,000 metric tons of seed potatoes; 2½% of the \$700,000,000 U. S. farm machinery production in 1944; 25,000,000 pairs of shoes; 11,800 metric tons of cotton goods; 2,880 hospital beds; 27,500 metric tons of manufactured soap; 17,046 metric tons of linseed oil for making soap; and 22,100 metric tons of containers.

• **Two Buying Phases**—FEA's buying scheme is calculated to disturb markets as little as possible.

During the six months' period of

Italian Prisoners in Service Units Work for Privileges



Many of the 50,000 Italian warriors captured in the Mediterranean theater and brought to the United States are finding that the life of a prisoner of war loses most of the grimmer aspects of internment when he becomes a cooperative co-belligerent.

• Some Privileges—Organized after Italy's surrender into Italian Service Units for noncombat labor in the Army, these Italians have reached a captive's Utopia. With no barbed-wire stockades, no armed guards, and no "P.W." markings on their clothing, ISU members are enjoying all of military life's necessities and a few of the privileges denied their skulking comrades and their erstwhile allies from Germany.

High among their distinctions are the hand-me-down uniforms salvaged from G.I. stocks and left-over stores of the Civilian Conservation Corps. Only green and white "Italy" brassards and overseas cap insignia distinguish them from American sol-

diers whose food, life, and discipline they share.

• Have to Work—Under command of Italian and American officers, they are treated like soldiers, and have every reasonable freedom of the camp at more than a dozen (the exact number is secret) Army posts from coast to coast.

Their higher caste is not a gift. ISU men enlist voluntarily, and their chores number among the dirtiest and heaviest that military labor can offer. Italians handle freight, crate shipments, do camp maintenance work, and make repairs.

• Plan Frees Soldiers—Members of these labor battalions earn the standard war prisoners' work pay: \$24 a month, payable in cash and post exchange scrip. Their officers get the same, plus a \$20 to \$40 base, determined by rank. Uncooperative prisoners who refuse work or who display saboteur tendencies get the regular prisoner's stipend—\$3 a month.

Enthusiastic over the Italians'

work, which frees soldiers for combat duty and thus eases domestic draft quotas, the Army is allowing its ISU men outside privileges.

• Unarmed Escorts—As some of the first to be accorded these privileges, workers stationed near New York are touring Manhattan to view such sights as the Empire State Bldg. (left)—with unarmed military escorts. In Hollywood a movie star's swimming pool (right) is the scene of a party for neighboring cobelligerents—complete with local Italian-American hostesses.

These prisoners aren't quite so popular down in the ranks where the Italians are competing for the attention of G.I. girl friends. So tense was the feeling at Virginia Beach recently that the War Dept. explained:

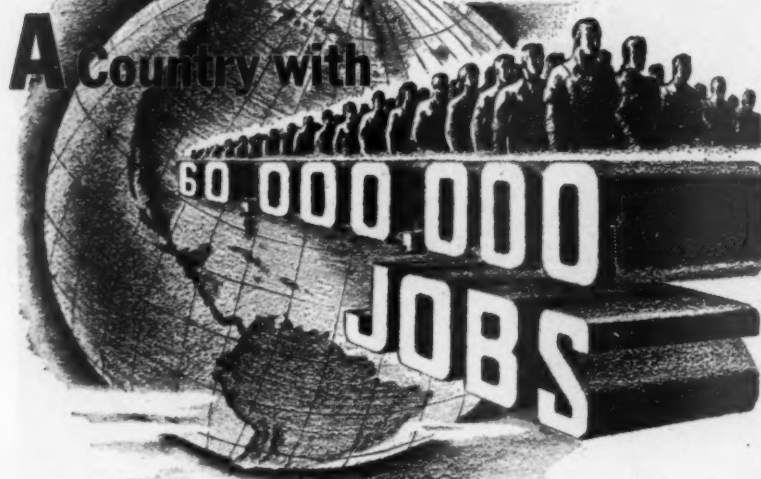
"When these men go on furlough, 30 or 40 of them are accompanied by one American officer or enlisted man. Naturally, that escort cannot keep an eye on all the park benches and it is entirely possible for the Italians to yell 'hi-ya toots' to the American girls."

Army relief, FEA intends to buy goods as they come on the market. After this preparatory period, FEA intends to buy from stockpiles, which the Administration hopes will be made available to UNRRA.

The increasing size of some stockpiles

is illustrated by creamery butter, of which there were 82,000,000 lb. in cold storage on Apr. 1, 1944, as against 16,000,000 lb. on Apr. 1, 1943, and by American cheese of which 121,000,000 lb. were on hand Apr. 1, 1944, as against 64,000,000 lb. on hand Apr. 1, 1943.

• Order of Purchases—First FEA purchases for UNRRA will be \$108,000,000 worth of canned fish, salt pork, milk, and cheese. In a second phase of the buying program, FEA will be in the market for \$265,000,000 worth of grains, canned meat, and lard. During



IT'S hard to realize that the United States of tomorrow will include about 60,000,000 working men and women. To keep such a labor force gainfully occupied means high-speed, low-cost production to hold prices down and volume up.

In this better, bigger, busier world of tomorrow you can profit by the experienced engineering advice that is one of the most important factors in Acme service. We design and make special tools to operate exclusively on your product and processes. We also manufacture dies, patterns, gages and fixtures. And, we produce to your specifications heat-treated aluminum castings that have no superior in their field.

Acme service to the metal-working industry is complete. Your inquiry will receive prompt attention.



ACME Pattern and Tool Company, Inc.
DAYTON, OHIO

HEAT-TREATED ALUMINUM CASTINGS... PATTERNS... TOOLS
TOOL DESIGNING... PRODUCTION PROCESSING

both periods FEA will buy dry beans, peas, and soy products.

In the field of food production processing, \$53,000,000 is to be spent during the six months which began Jan. 1 on veterinary materials, seeds, pesticides, fertilizer, binder twine, farm machinery, food-processing equipment, fishing supplies, containers, hand tools and miscellaneous supplies for agricultural rehabilitation.

• **Clothing and Shoes**—In the clothing category, \$150,000,000 will be spent during the preparatory period on manufactured goods, including woolen goods and garments, cotton goods and garments, and shoes. Another \$64,000,000 will be spent in the second six months.

To avoid an invasion of the slim shoe stocks available to the American civilian, UNRRA plans to fill its shoe needs through the manufacture of canvas topped shoes, and from rebuilt Army shoes and manufacturers' and merchants' distress stocks.

• **Rely on Army Stock**—To meet the demand for health supplies and soap, \$8,000,000 is to be spent during the preparatory period, and \$61,000,000 afterwards. It is assumed that all health supplies will come from stocks procured by the War Dept.

The entire \$100,000,000 to be spent for repair and operating supplies is to be placed during the preparatory period, since it is largely manufactured goods.

• **Buying Outside U. S.**—Places outside the U. S. will supply by far the greater part of the \$7,500,000,000 of goods which Crowley believes the liberated areas will want. Of UNRRA's farm machinery quota, the United Kingdom and Canada are to supply 30%, and Sweden is expected to supply some milking machinery. This country will supply only 8,780 metric tons of the seeds which UNRRA expects to buy during the coming year.

UNRRA BUYS IN CANADA

OTTAWA—Canada has received its first order from the United Nations Relief & Rehabilitation Administration for international relief supplies.

The order—for 20,050 short tons of agricultural machinery—amounts to \$4,709,431, and is to be delivered in 1945.

For the financing of such UNRRA orders, 90% of the \$77,000,000 recently passed by the House of Commons as the Canadian contribution to the relief organization is already available.

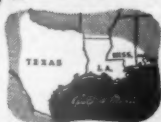
Because of Canada's great food production capacity, and war-increased industrial power, it is likely that Canada will be asked to sell UNRRA much more goods than can be covered by the Canadian contribution. In this case, UNRRA would pay for the supplies out

GULF SOUTH TRADE-MARK 1000 A.D.*

Indian tribes who centuries ago inhabited the rich region now known as the Gulf South maintained individuality by a "trade-mark," often a bird or animal effigy.

The trade-mark of the modern Gulf South is its wealth of natural resources. Natural gas and oil, minerals, extensive timberland, fertile soil and mild climate identify this region. These basic advantages, combined with mighty factories and the efforts of a determined people, are dedicated to helping America speed the day of Victory.

THE
Gulf South



ITS RESOURCES,
ITS MANPOWER, ITS PRODUCTION
ARE ALL DEDICATED TO VICTORY



* This bird effigy bead was carved from red jasper by Indians who inhabited the Gulf South region approximately 1,000 years ago. It is one inch high and dark red in color. Such bird and animal effigies often served to identify the various clans into which the Indian tribes were segregated.

UNITED GAS PIPE LINE COMPANY: A Natural Gas transmission company dedicated to serve wartime fuel requirements throughout the Gulf South. FOR TEXAS—Mail received at Beaumont, Dallas, Fort Worth, Houston, Longview, San Antonio and Wichita Falls. FOR LOUISIANA—Mail received at Baton Rouge, Lake Charles, Monroe, New Orleans and Shreveport. FOR MISSISSIPPI, ALABAMA AND FLORIDA—Mail received at Jackson, Mississippi.



Really portable!

By which we mean that one man can lift and carry the 2-ton capacity 'Budgit' Chain Block. This increases its usefulness and saves man-power. The weight of this is less than half the weight of geared Chain Blocks of the same capacity.

Portability is not all the advantages of this new, modern hoist. It "lifts more, easier and faster." It is equipped with anti-friction bearings throughout and all working parts (including the automatic load brake) are sealed-in, operating in grease that cannot escape nor become contaminated with dirt and grit.

Each 'Budgit' Chain Block has an automatic brake that prevents the load from descending unless the worker pulls the chain on the "down" side. The load chain is of the roller type which does not stiffen nor stretch and helps toward smoother lifting.

For all lifting jobs where manual lifting is necessary, the 'Budgit' Chain Block is the most convenient and efficient multiplier of muscles.

'Budgit' Chain Blocks are built to lift up to $\frac{1}{4}$, $\frac{1}{2}$, 1 and 2 tons and prices start at \$59.50 list. Send for Bulletin No. 357 containing complete information.



'BUDGIT' Chain Blocks

MANNING, MAXWELL & MOORE, INC.
MUSKEGON, MICHIGAN

Builders of 'Shaw-Box' Cranes, 'Budgit' and 'Load Lifter' Hoists and other lifting specialties. Makers of Ashcroft Gauges, Hancock Valves, Consolidated Safety and Relief Valves and 'American' Industrial Instruments.

of the funds that have been placed at its disposal in American currency.

Other relief supplies now being discussed by UNRRA and the Canadian government are orders for 20,000,000 lb. of fish, 60,000,000 lb. of soap, and approximately \$6,000,000 of woolen outer garments.

Records Topple

Great Lakes carriers top 1942 tonnages in all but iron ore. Coal shipments assume a greater importance as cargo.

The Great Lakes cargo fleet moved a record tonnage of basic war essentials in June, the third successive month in which new peaks were logged. The achievement justified confidence that the carriers would reach their 1944 goal of 192,000,000 tons of iron ore, coal, grain, and limestone.

• **Exceed 1942 Pace**—Despite the loss of two ships after collisions in dense fogs of early spring, lake vessels have carried upwards of 59,000,000 tons of cargo, nearly 2,000,000 tons ahead of the pace in 1942. That year set a Lakes shipping mark of 182,731,421 tons.

• **Heavy Coal Traffic**—Coal is assuming added importance as a cargo, and ore stocks are accumulating in furnace yards and lake docks, due to the closing of a number of blast furnaces in the Cleveland area.

Seizing the opportunity to move the vast cargoes of coal needed for the upper Lakes region, shippers had moved 19,487,911 tons by 7 a.m. of June 26, as compared with 14,385,001 tons on the same date a year ago.

Part of the excellent record this year was due to weather that enabled opening of the season on Apr. 11. In the yardstick year—1942—the ice had cleared in March.

• **Two Vessels Lost**—This year's tonnage will be accounted for, in part, by the addition to the fleet of 16 vessels (143,118 gross tons), leased from the Maritime Commission. These vessels went into service last year, but not for a full season.

The vessels lost were the Columbia Transportation Co.'s Frank E. Vigor, 4,067 tons, and Interlake Steamship Co.'s 5,265-ton James H. Read.

• **Centralized Deferments**—The manpower problem yielded satisfactorily to the efforts of a newly formed Lake Vessel Committee. This group of shippers, with the backing of the Office of Defense Transportation, WPB, War Food Administration and Selective Service, centralized the machinery for draft de-

ferment of masters, engineers, and licensed officers and carried on aggressive recruiting campaigns for labor.

Statements of availability were waived for men who had previously worked on the Lakes, regardless of whether they were in other essential industry.

• **Organizing Attempted**—Coincidentally the National Maritime Union made its first bid for a contract with a lake carrier by carrying on a vigorous campaign on vessels of the Pittsburgh Steamship Co., but recently lost an election on bargaining representation, 889 to 720.

• **Ore Below 1942 Mark**—The 59,000,000 cargo tons carried so far this year do not include limestone, signifying a final greater-than-indicated gain over 1942, the best previous year.

Limestone (used as flux for the blast furnaces and openhearth) is less closely scheduled as a cargo and never is reported till the end of the season. Last year's total was 15,481,852 tons.

Only in iron ore shipments has this year's accomplishment failed to top 1942's. July 1 ore totals were almost 1,500,000 tons below the 36,138,172 tons delivered up to that date in 1942.

Grain cargoes, on the other hand, are double the 3,000,199 tons which had been moved by July 1 in 1942.

INDEX REVISED

Figures which comprise the Business Week Index of Business Activity have been revised to take into account the changes in war production components. In all instances, these changes have been minor. Revised figures for the first six months of 1943 are:

Week ended	Index
Jan. 8	238.1
15	238.3
22	239.1
29	239.8
Feb. 5	239.6
12	239.4
19	239.0
26	238.3
Mar. 4	238.5
11	238.0
18	238.0
25	237.9
Apr. 1	238.7
8	238.8
15	238.4
22	239.7
29	239.4
May 6	237.9
13	237.7
20	236.8
27	236.2
June 3	235.7
10	235.1
17	234.8
24	235.1
July 1	234.2

The Honor Roll

Following are the names of the manufacturers whose advertising has appeared in Puck since 1931

Bauer & Black Ltd.
Bendix Aviation Corporation
Walter J. Black, Inc.
Chesebrough Mfg. Co. Consolidated
Chrysler Corporation
The Coca-Cola Company
Colgate-Palmolive-Peet Company
Corning Glass Works
The Cudahy Packing Co.
Devco & Reynolds Co., Inc.
Doubleday, Doran & Co., Inc.
Doughnut Corp. of America
Eversharp, Inc.
Frank H. Flier Corp.
F. W. Fitch Company
General Electric Co.
General Foods Corp.
General Mills, Inc.
A. C. Gilbert Co.
Gillette Safety Razor Co.
The Grove Laboratories, Inc.
H. J. Heinz Company
Geo. A. Hormel & Company
International Cellulose Products Co.
The Andrew Jergens Company
"The 'Junket' Folks"
(Chr. Hansen's Laboratory, Inc.)
Lambert Pharmacal Company
Lamont, Corliss & Company
Thomas Leeming & Co., Inc.
Lever Brothers Company
The Lionel Corporation
Maybelline Company
The Mennen Company
Pepsi-Cola Company
The Pepsodent Co.
Pillsbury Flour Mills Co.
Procter & Gamble Co.
The Quaker Oats Co.
Ralston Purina Co.
R. J. Reynolds Tobacco Co.
W. A. Sheaffer Pen Co.
Standard Brands, Inc.
Swift & Company
Twentieth Century Fox Film Corp.
Unicorn Press
U. S. Army Recruiting Service
Van Camp's, Inc.
Wilson Chemical Co., Inc.
William H. Wise & Co., Inc.

What? No Evolution?

BACK in Neanderthalia, a couple of brothers found themselves up a tree.

Because the elder liked looking down on the world from his airy perch, he decided against mixing with the crowd who had their feet on the ground.

He stayed up in his tree...the ape!

The younger, a progressive fellow, climbed down. His descendants became...MAN! (Or so Darwin said.)

Apparently, evolution...and growth...require a willingness to try new experiences...to mix with the millions on common ground.

There is a publication, delivered through 15 great Sunday newspapers, which mixes with the masses. It's "the life of the party," attended every week by over 6,000,000 families who laugh with Dagwood and Blondie; put themselves in Jiggs' and Maggie's places; gasp at the wonders pictured for them by "Believe-it-or-not" Ripley; get a human thrill from the pictured stories of Tillie the Toiler, Skippy, and Prince Valiant.

This publication is Puck-The Comic Weekly. It is common ground—where a

limited number of products make friends with over 20 million possible buyers every week.

Its very human-ness is what sells it to its readers.

Today when a business man is inclined to look down on the human-ness of Puck-The Comic Weekly, as an advertising medium, chances are he's unknowingly edging his product out on a limb.

Certainly he isn't letting his product meet its prospects on common ground.

Puck's human-ness wins amazing responses. When Chic Young, in "Blondie," was preparing his readers for the birth of Cookie, second child in the Bumstead household, he asked suggestions for a name. In two weeks he had 400,000 letters, and hundreds of gifts; layettes, cribs, highchairs, carriages, diapers, bottles, etc., to furnish the new nursery.

To learn more about the advertising opportunity offered by Puck, write or telephone to: Puck-The Comic Weekly, 959 Eighth Avenue, New York 19, N.Y., or Hearst Building, Chicago 6, Ill.

"Always in the Groove"

with "Snap-on" Screw Drivers

made of

KEYSTONE

Wire



This complicated apparatus looks like a typewriter, but actually is an airplane carburetor . . . snapped while being adjusted by a master mechanic of Trans-Canada Airlines, using his regular *Snap-on** screw driver. You'll find *Snap-on* tools being used wherever precision adjustments and heavy-duty tool service are required.

The blades of *Snap-on* screw drivers are made of special Keystone wire. Keystone's skill in producing industrial wire is one reason why *Snap-ons* are able to "stand the gaff".

We are proud that this leading company chooses Keystone wire for its outstanding products.

KEYSTONE

STEEL & WIRE CO., Peoria 7, Illinois



REA Has Jitters

Complete divorce from Agriculture Dept. is sought by Senate subcommittee, but veto would be likely result.

Surprising nobody, a Senate agriculture subcommittee investigating the Rural Electrification Administration recommended that the strife-torn agency be restored to independent status, completely divorced from the Dept. of Agriculture, which has controlled it since the reorganization act of 1939.

• **Smith Sponsors Bill**—In an interim report after six months of hearings, the committee found that "... disintegration and demoralization of REA personnel since integration into the Agriculture Dept. . . . is an indictment of the administration under Agriculture."

Sen. Ellison D. Smith of South Carolina, investigation chairman and as bitter a foe of President Roosevelt as sits in the Senate, sponsored the bill to free REA. Others on the committee recommending it are Sen. Guy M. Gillette of Iowa, who, with Smith, was a target of the President's 1938 "purge," Sen. Henrik Shipstead of Minnesota, and Sen. George D. Aiken of Vermont, both Republicans.

Such a line-up, of course, is not apt to command Administration support.

• **Long Fight**—The Administration began its fight against any investigation of REA more than a year ago, when Sen. Scott Lucas of Illinois fought bitterly to keep the committee from getting any funds. While he was not entirely successful, he did keep the investigation to such a limited budget that it has been constantly embarrassed for money.

Next move was a series of attempts to get the resignation of REA Administrator Harry Slattery (BW—Mar. 18 '44, p22), who was championed by the committee and largely vindicated by its interim report.

• **May Compromise**—With such a background, the Administration can be expected to throw its full weight against legislation making REA a free agency, and if it does pass, a veto can be expected.

Latest report in Washington is that the Administration has offered a compromise. REA would be made independent, but would be administered by a three-man board, whose two new appointees could be counted upon to checkmate Slattery much as Dr. Arthur Morgan, stormy petrel of the Tennessee Valley Authority, was blocked out some years back by David Lilienthal and

Report No. 5 on
HONESTY ENGINEERING
 —a new idea in
Personnel Relations



**"and it's a big help in cutting down
 employee turnover"**

STATEMENTS like that are typical of what personnel managers say about Honesty Engineering. Because by helping employees resist the temptation to turn dishonest, it prevents loss of hard-to-replace employees. One food processing concern, for example, found that this new Personnel-Protection Plan cut manpower losses due to dishonesty by more than 75%.

Based on experience, the U. S. F. & G. Personnel-Protection Plan not only insures you against financial loss through employee dishonesty but:

(1) discloses undesirable personnel and prevents waste in training; (2) applies tested methods that keep good employees from going wrong; (3) helps employers eliminate leaks, pitfalls and careless acts that may lead to employee dishonesty.

Whether you employ 10 people or 10,000, your U. S. F. & G. agent will be glad to show you how the Personnel-Protection Plan helps you keep your employees by keeping them honest. Consult him today.

Branch Offices in 43 Cities — Agents Everywhere

U. S. F. & G.

UNITED STATES FIDELITY & GUARANTY CO.

affiliate:

FIDELITY & GUARANTY FIRE CORPORATION

HOME OFFICES: BALTIMORE, MD.

Consult your insurance agent or broker



as you would your doctor or lawyer

Fighting for More Production?



YOU NEED EXECUTONE!

How This Modern "Inter-Com" System Saves Man-Hours...Increases Output

EXECUTONE puts you in instant conversational contact with every department of your organization! Saves time...conserves energy...minimizes waste motion.

EXECUTONE enables you to get information from your employees the instant you want it—eliminates the everlasting running back and forth from one office to another.

EXECUTONE speeds your phone service by taking the load of "inside" calls off your switchboard. Cuts down busy signals and expensive call-backs. Saves you money in many ways.

The "inter-com" system selected by the U. S. Navy for many of our fighting ships.

Write for FREE booklet "C H"

Executone
COMMUNICATION SYSTEMS

415 Lexington Ave., New York 17, N. Y.
Service in Principal Cities

Back the Attack—Buy War Bonds!

How You Can Get More Men and Women Workers!

If you need more help than you have been able to secure through ordinary channels, here's a plan that will help.

It's **TESTED**—companies such as Mills Industries, The Visking Corporation, Forest City Foundries, U. S. Gypsum, and many others are using it successfully.

It's **SIMPLE**—possibly much more so than your present plan.

It's **INEXPENSIVE**, and there's no guesswork. Your cost depends on the number of new employees the plan procures.

New and unique, this plan taps new sources of workers, not reached by ordinary methods. Yet it is based on the same principles which have proved successful in our 12 years of working with nationally-known manufacturers.

Write on your company letterhead for the portfolio "Recruiting Workers through the 'Help Get Help' Plan." It gives full details. It's **FREE**. And there's no obligation.



BELNAP and THOMPSON, Inc.
Room 700, 309 West Jackson Blvd.
Chicago 6, Illinois

Harcourt Morgan, the two other members of TVA's board.

• **Wickard Moves In**—Meanwhile, if reports reaching Washington from REA's wartime headquarters at St. Louis are accurate, the agency has a bad case of jitters. Secretary of Agriculture Claude R. Wickard, who a year ago moved in on Slattery by appointing a deputy administrator through whom REA personnel must pass to reach Slattery, recently abolished the jobs of a small coterie of Slattery aides, and widely revamped the personnel and other sections.

Slattery insists he never saw the order until it became public when one of the dismissed employees wrote the President pledging a hunger strike until "you or the Congress free the REA for the farmers of America."

Former REA people in Washington, on leave to war agencies, tell of reports from St. Louis that key people do not know from day to day what tomorrow's policy will be.

• **Emphasis on Purchases**—Through all the commotion, what is left of REA keeps its program going, with the greatest emphasis today on purchasing utility systems ordered divested by the Securities & Exchange Commission. It allocated loans totaling \$33,794,888 during the fiscal year ended June 30, but wartime restrictions on line construction held to about \$2,000,000 the amount actually lent.

Total allocations since 1935 are now \$499,007,801, but more than \$100,000,000 of this is merely earmarked for specific projects which are awaiting the end of the war for actual construction to begin.

NEW APPLIANCE MAKER

Household appliances which will be manufactured by General Mills, Inc., maker of Wheaties, after the war will be marketed through regular trade channels under the trademark of "Betty Crocker," widely advertised name of the General Mills home service director. Batton, Barton, Durstine & Osborn has been retained to promote the products, which will include "electrical table appliances" of types to stimulate use of cereal products. A sales manager will be appointed soon.

Confirming reports that the world's largest cereal milling company will branch into the appliance business as soon as wartime restrictions loosen (BW—Jan. 15 '44, p. 32), Harry A. Bullis, president of General Mills, has announced that the company's mechanical division, now making precision gunfire equipment, will also "design and produce or manufacture to specifications precision devices for industrial customers."



ELECTRONIC DRYER

Instead of requiring 24 hours, final bulk reduction of penicillin solutions is accomplished within 30 minutes by electronics during a test at E. R. Squibb & Sons. Invented by Dr. George H. Brown (above), RCA research engineer, the experimental model is supplied high-frequency current which boils the solution at 50F under moderate vacuum, resulting in evaporation at the rate of two liters an hour. In more conventional processing, solutions are dried—while frozen—under extremely high vacuum.

For success in the appliance field, General Mills is counting on the fact that surveys show "Betty Crocker" is recognized by 95% of all women interviewed, identified with General Mills by 50%, and considered the best adviser on all phases of homemaking by 26%.

ACTS ON FASHION CENTER

Grover Whalen's dream of a World Fashion Center that will cinch New York's hold on the clothing arts (BW—Jan. 29 '44, p. 19) came a step nearer realization last week when Mayor LaGuardia announced selection of the site. The area chosen takes in nearly 200 building blocks in a region that embraces the city's flower manufacturing lofts, other business buildings, and one church.

Mayor LaGuardia has taken up the scheme with his customary enthusiasm as the answer to those who have charged that New York was losing ground in the garment industry to other cities which weren't so finicky about high wages and

perfect working conditions. The only aid he promises from the city is in acquiring the land, realigning the streets, and other contributions that fall in the "realm of cooperation."

As to the financing of the \$68,000,000 project, the inaugural announcements were pretty vague. A bill to set up a private corporation for the center will be proposed to the New York state legislature next January. In the meantime plans for the buildings, financing, and solicitation of tenants "will be ironed out." Indications are that the money is to be sought from private rather than government sources.

Freight Loss Up

Dollar value of damage claims on domestic shipments hits new high. Superpacked war goods hold ton-mile rate at 1940 level.

Railroad men and shippers are contemplating two sets of figures. One set discloses that dollar claims for loss and damage to freight have doubled between 1940 and 1943. The other set reveals that the rate of claims per thousand revenue ton-miles in 1943 was only 5.8¢ (no increase over 1940) as compared with 30¢ in the World War. • **Low War Freight Loss**—On the basis of total dollar claims, the railroads see a critical situation. Claims in 1942 were 58.3% more than in 1940. In 1943, total claims of \$40,246,000 were filed against the railroads, an increase of about 25% over 1942.

Moreover, in 1943 the claim rate per thousand revenue ton-miles remained low only because of the huge volume of superpacked war freight. Of the 727 billion revenue ton-miles in 1943, 60% represented shipments of well-packed war freight on which the damage rate was negligible.

• **Civilian Freight Claims**—In the field of domestic freight, the railroads were taking a beating. Damage to less-than-carload freight increased more than 90% in 1942 as compared with 1940, and about 19% in 1943 over 1942.

• **For 1944 the prospect is even more gloomy.** Manpower shortage and lower average of skills in packing, stowing, and handling freight may well lead to higher claims for loss and damage.

• **Container Problem**—Probably 80% of all domestic freight is shipped in fiber-board containers. Such containers are today's No. 1 scarcity item (BW-Apr. 8'44,p17).

Under pressure from Washington, the railroads have relaxed their rules governing container specifications. Approved

**"Tom says the boss wrote
we're doing fine!"**



Yes, in offices everywhere the work must go on . . . figures and records necessary for the proper functioning of business . . . and essential to the control of stupendous war-time production.

Payroll calculations and records; statistics; analyses; estimates; reports; invoices; costs and percentages; inventory; posting and accounting procedures—this is the work for which

Monroe Calculating, Listing and Accounting Machines are built!

With Monroe's simplicity, speed and flexibility, this vitally important work flows through on time—ready when needed, accurate—despite manpower shortage and inexperienced personnel.

Call the nearest Monroe branch . . . learn from our representative the availability of Monroe machines under existing conditions. Through him the experience of our organization is at your service in effecting short-cuts and simplifications to make working hours more productive.



Monroe MA 7-W Calculator



Monroe 209-485-191 Accounting Machine

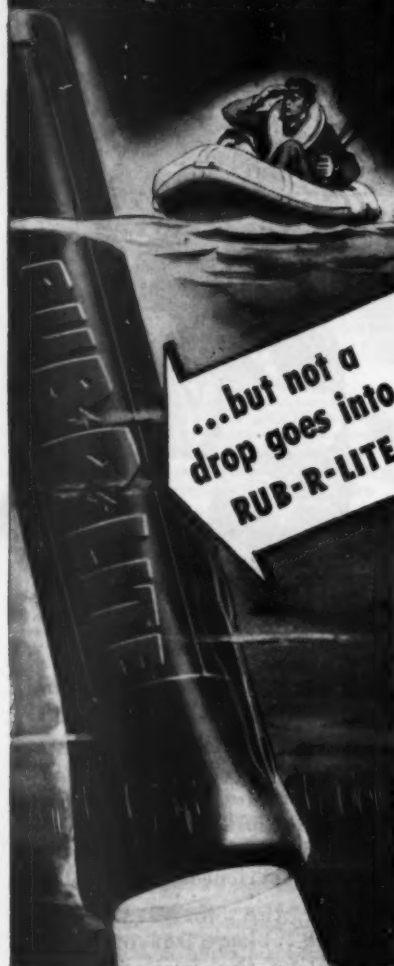
Ask about our Guaranteed Maintenance Plan to keep your Monroes in top operating condition. Without obligation get your copy of the book

**MONROE SIMPLIFIED
METHODS FOR PAYROLL
CALCULATIONS**

from our nearest branch, or write to Monroe Calculating Machine Company, Inc., Orange, New Jersey.

MONROE
CALCULATING • LISTING
ACCOUNTING MACHINES

Water, water, everywhere...



When we say RUB-R-LITE is absolutely waterproof, we mean just that! You can't get a drop of water into it. The reason? Once the lens is in place, all working parts are hermetically sealed in a Buna S synthetic rubber case. Also, this amazing flashlight is damage-proof and electric-proof. And the switch always works!

Immediate delivery; but entire production now restricted to War Orders. Procurement Officers should check with regular wholesale sources; or write us direct.

LENNAN LIGHTS

WAR-APPROVED FLASHLIGHTS IN
RUBBER • METAL • PLASTIC

3454 FLETCHER DRIVE • LOS ANGELES 26

shipping containers today are considerably weaker in stacking and bursting strength than before the war. Moreover, use of secondhand fiber containers is being encouraged by WPB to cope with the paper shortage.

Factors contributing to increased claims for freight damage are: Substantial amounts of merchandise, particularly food, are packed in glass, instead of in metal; freight cars are taking heavier loads under Office of Defense Transportation orders.

Lone Survivor

Of four plants in rubber program, only lowly guayule will be used to increase the latex supply for U.S.

There was more in the announcement that \$5,420,000 had been appropriated to carry on the government's guayule program (BW-Jul.1'44,p31) than appeared on the surface.

The absence of appropriations to carry on production of other latex-producing plants meant that of the four plants experimentally grown, much-criticized guayule alone had survived.

• **Too Slow**—Kok saghyz and golden rod, from which much had been predicted in the government's gamble on latex-producing plants other than natural rubber trees, were found to be too slow to help in the current emergency, and were liquidated as of June 30.

Cryptostegia, the bleeding vine plant of Haiti, was written off May 16.

• **A Crop for Texas**—Congress' action furnishes hope to guayule growers that they will be permitted to carry their program through to its maturity in 1951. By then it would produce 26,000 to 29,000 tons.

Guayule's backers also hope that the results will indicate that it can be grown as a farm crop in Texas after the war and compete with hevea tree rubber by reason of know-how and a revived patent that permits extraction of latex in an uncoagulated state from green shrub macerated under water. Present milling methods use dry shrub and get resins, and other insolubles, which lower the grade of the rubber.

• **Cryptostegia Fails**—Golden rod has produced 700 lb. of rubber and kok saghyz 3,000 lb., all of which is being used in tires by the United States Rubber Co. and the B. F. Goodrich Co.

Cryptostegia, planted on about 40,000 acres in Haiti by SHADA (the island agricultural development agency), has been in trouble almost since the project began in October, 1942.

Its agronomy was little known, but because Haiti had the seed, a cheap labor supply, and adequate shipping, the great need of the United States for rubber caused the gamble to be undertaken. Reconstruction Finance Corp. lent \$5,000,000.

• **Costly Harvesting**—It was discovered that seedlings had to be grown in nurseries, and then transplanted. Drought caused another delay. Plants didn't grow uniformly. Blight and cutworm followed.

Harvesting costs were as high as 90¢ a lb., and the rubber obtained was far from equaling hevea fino which, washed and dried, costs 60¢ a lb., f.o.b. Para, Brazil.

Optimistic Thomas Fennell, president of SHADA, hoped to have 3,000 tons of cryp rubber this year, 12,000 tons next year. Now that the Rubber Development Corp. has canceled its contract with SHADA, there will be none. The vines will be destroyed, and other crops planted.

• **Rubber Imports Up**—Imports of tree rubber from the 16 countries with which RDC has contracts in the Western Hemisphere are up.

Military security does not permit the release of figures, but 1943 imports of wild rubber were two and one-half times those of prewar 1941. Natural rubber, whether from guayule or trees, is needed to mix with synthetics, especially for heavy-duty tires.

COAST PACKER IS SUED

Largest triple damage suit brought on the West Coast under the price control act was filed by OPA last week against the California Packing Corp. The agency is asking \$1,114,408.91, charging the corporation not only with continuous violation of ceiling prices since the inception of price control, but with discontinuing customary trade discounts.

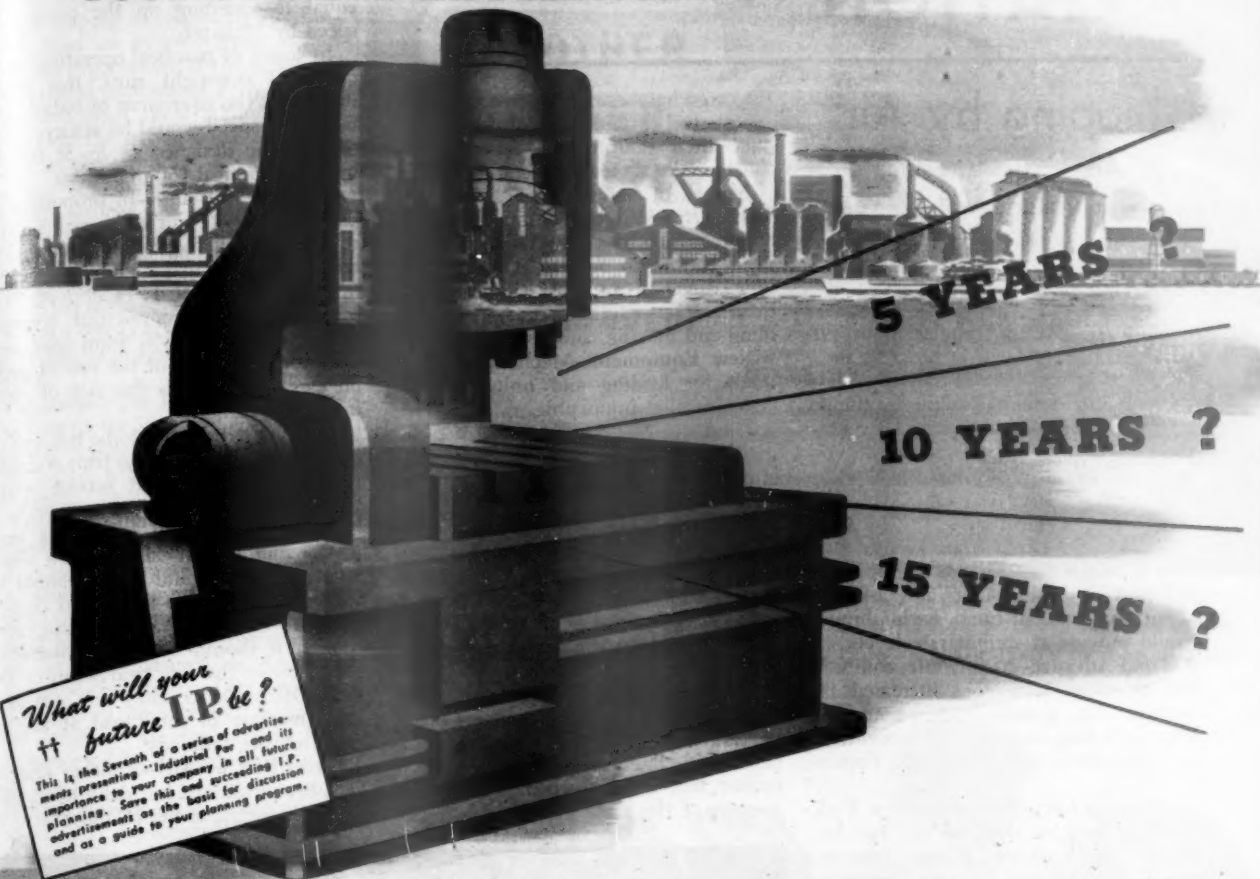
If it were not for legal limitations restricting damages to violations occurring within a year prior to filing of the suit, the amount sought would have exceeded \$2,000,000, according to OPA officials.

TAX IS NO DETERRENT

That the amusement industry has not been hurt by the 100% increase in amusement taxes imposed by the revenue act (BW-Mar.4'44,p18) is indicated by figures just released on amusement tax collections for April.

Tax collections were \$28,617,079 against \$14,625,614 the preceding month, and \$14,907,919 a year ago. Allowing for the doubling of the tax rate, these figures indicate that over-all business in April was down only 4% from March, and only 2% from April, 1943.

AT WHAT AGE DOES A MACHINE TOOL DESERVE RETIREMENT?



Does a machine tool have a normal life expectancy of a stated span of time?

Yes — it varies with the machine, of course, and the standards of production and performance to which it is expected to measure up, but time is not the only yardstick to apply to determine when it should be "written off."

For a machine tool becomes obsolete not so much by age but by an inexorable law of industrial competition. Any machine tool — standard or special — that can increase output per man-hour and reduce production costs "puts the finger on" less efficient machines — dooms them to comparatively early discard. For no manufacturer can long

afford to produce with machine tools less efficient than those of his competitors.

Manufacturers who are planning to offer better products with price tags that appeal to mass markets have taken the first step to postwar security and employment. Machine tools — the most modern and advanced types — will be an important part of their production planning — indispensable equipment to win the fight for lower costs — to provide jobs and wages for the greatest number of workers — to attain or excel *Industrial Par* as presented in this advertisement as "Spotlight Facts for Your Future I. P. Planning."

Milwaukee Machine Tools



KEARNEY & TRECKER CORPORATION
MILWAUKEE 14, WISCONSIN

**Spotlight facts for your future I.P. planning*



*Production methods — developed in wartime — increase man-hour output; pent-up buying power — released in peacetime — demands increased production.

*The rate of 2½% increase per year output per man-hour, established by a 12 year record of industrial production, can be expected to reach at least 4% per year — compounded.

*Manufacturers must set a goal of 30% increased output per man-hour every 10 years — to maintain a high level

of national prosperity and achieve its benefits in terms of security of jobs and wages for the greatest number of workers and the volume production of more goods for more people at lowest cost.

*Machine tools — the most modern, most efficient — are recognized as the most effective implements of mass production and increased output at lowest cost — but only continual replacements with the newest and finest machine tools assures full productive capacity. Such replacements yearly should be equal to

10% of the total machine tool investment — in keeping with increased output.

*The cost of machine tools is insignificant in terms of their productive power . . . from 1927 to 1937, according to census reports, American manufacturers had only a total of about 2% invested yearly in machine tools in ratio to a total volume of 9 billion dollars' worth of production annually.

††*Industrial Par* — the constantly increasing output per man-hour equal to approximately 30% every 10 years.

BACK THE ATTACK . . . BUY MORE BONDS

AVIATION

Shipping by Air

An accurate estimate of postwar volume will be ready by fall. Airlines foresee big future as cargo expands.

By early autumn, tabulation of surveys which have been in progress since last October in 35 cities, covering 5,000 present and potential shippers, should give the airlines a reasonably accurate estimate of total postwar domestic air-mail and air express volume.

Air Cargo, Inc., formed three years ago by the major transport companies (BW-Mar.22'41,p20), is conducting the investigation, using airline personnel to visit businessmen and ask just about how much cargo each shipper would provide at various rate levels.

• **Rapid Advance**—Meanwhile, commercial air cargo traffic has increased far beyond the general conception. At least eight long-haul all-cargo round trips are being flown daily by four big domestic airlines.

American has one between New York and Los Angeles. Eastern has two between New York and Miami, one between Chicago and Miami. Transcontinental & Western has one between New York and Los Angeles, one between Chicago and New York. United has one between New York and San Francisco, one between Chicago and San Francisco, and plans still another coast to coast.

• **Seeking Rate Basis**—Air express rates now average above 70¢ per ton-mile, of which about 20¢ goes to the Railway Express Agency for pickup and delivery and other R.E.A. services. European air express before the war was principally on an airport-to-airport basis, at rates approximating ours.

Cargo experts of the air transport lines admit they can do little more than guess about what the war has done for normal operating costs. The only domestic air freighting today on a scale comparable with what the lines contemplate after the war is military and is carried in planes built primarily for performance goals other than economy, and operated with the military's wartime disregard for cost.

• **Reductions Seen**—But the commercial specialists estimate that they can make a rate of 20¢ to 30¢ for plane-load lots airport-to-airport, with shippers and consignees backing their own trucks up to

the cargo hatches of the transports. The experts feel certain they can likewise reduce their door-to-door service tariffs substantially below present levels.

Not all of these estimates are blind. The Curtiss-Wright Commando, for example, was claimed by its makers before Pearl Harbor to operate at 6¢ per ton-mile direct flying cost—without such extra costs as administrative, cargo handling and bracing, and ground crews.

• **New Equipment**—Mechanical equipment for loading and unloading was economically impossible prior to the war, because the small volume of traffic made it cheaper to do the work with strong-back labor. Now, however, major airlines are using high-lift industrial trucks, cargo chutes, and belt conveyors at principal airports.

United's installation at the San Francisco terminal gets a lot of attention from visiting airline executives. U.A.L. is committed to the increasing use of mechanical-handling machinery.

• **How Speed Helps**—The profit is not so much in the reduction of man-hours of cargo handlers as in saving plane time. This line's cargo department calculates that if it can save ten minutes at each of the eight stops on its main

line across the continent, it will be equal to speeding up the plane's air speed by 30 m.p.h.

In terms of practical operating, especially on overnight runs, this might mean that the equivalent of today's 190 m.p.h. air-speed would be achieved in a cargo plane designed to fly at the far more economical 160 m.p.h.

• **Cargo Is Profitable**—In proportion to passenger service, air cargo represents a relatively small fraction of total airline revenues. One major company in the first six months of 1944 derived 74% of its domestic commercial revenues from passengers, 22% from mail, and 4% from express. But the rate of profit on cargo far exceeds the rate of profit on passengers.

Cargo does not have to be fed, and on combined passenger-cargo trips it usually represents a byproduct service which costs very little additional to provide.

Air transport men have long been urging that all first-class mail on which a time saving would result should be routed by air at no additional cost to the mailer. If they achieve this, even though it should require a substantial reduction in the rate paid them by the Post Office Dept., they will obtain a great increase in total load at the expense of the railroads.

• **Parcel Post by Air?**—Another idea, as yet little publicized but definitely a goal of the industry, is the establishment of



FOR GLOBAL FLYING

Rolling down production lines at Burbank, Calif., are military models of Lockheed's C-69 Constellation which is slated to make almost any point in the world less than a two-day flight from the United States. Going to war as a 60-passenger troop carrier and freighter, the 40-ton plane emerged as a prospective global trans-

port recently when Transcontinental & Western Air, Inc., filed the first application for worldwide routes. Prospects for the 20,000-mi. postwar airline calls for a maximum of 38 hours' flying time between American and foreign ports. Originally designed to fit T.W.A.'s international plans, the big transport first zoomed into the spotlight by setting a transcontinental speed record (BW-Apr.22'44,p16).

air parcel post service. Astonishingly large rural areas have no railway express service, hence cannot make use of air transport in shipping anything heavier than an air-mail letter.

General expectation of the airlines is that air parcel post would draw most of its business from these regions, in effect making the nation's R.F.D. routes feeders for the airlines.

Surveys conducted by some of the individual airlines are apparently confirmed by informal reports of what the Air Cargo, Inc., nationwide investigation is finding out. Most promising outlook for big-tonnage air express, when rates drop a few notches, is in reshaping some long-established patterns of distribution.

• **An Example**—An Iowa manufacturer of machinery, for instance, keeps a million-dollar regional warehouse stock in an Ohio city, with this investment divided about 50-50 between machines and parts for shipment to dealers and customers for breakdown repairs.

Given air express service at about half the present tariff, he says he would discontinue his Ohio parts stock, ship by air direct from his factory stock with deliveries just as prompt as he now achieves, and thus wipe out the necessity for a \$500,000 investment. Scores of similar situations are reported to have been uncovered by investigators for Air Cargo, Inc.

• **For Merchandise**—Use of air express for overnight deliveries of high-style merchandise from New York manufacturers to retail stores in the South, Middle West, and Far West was just getting well started when the war rush of high-priority industrial shipments crowded out most of this business. Merchants now visualize far greater use of air express after the war to boost hand-to-mouth buying and deliver red-hot style merchandise to their show windows ahead of competition.

Some enthusiasts even contemplate such innovations as small town stores with no more than a stock of samples, perhaps one shoe of each style from a Fifth Ave. line, with overnight air express deliveries on orders wired to the factory.

• **Vegetables by Plane**—Planload airport-to-airport shipment of tree-ripened, field-ripened, and sea-fresh perishables is a real possibility (BW—Apr. 1 '44, p21). At 20¢ per ton-mile, for example, winter tomatoes picked ripe and rosy in California or Texas could undersell hothouse tomatoes which now bring a price of approximately 20¢ a lb. above green-picked southern tomatoes in northern cities.

Manufacturers in every line where emergency demand for repair parts is usual are reported eager for air express

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get through!**

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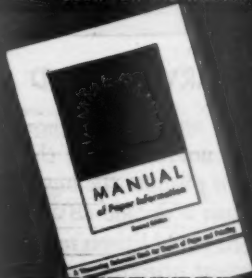


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BOND**

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Makes Light Work Out of Tough Sweeping Jobs

Steel back of Speed Sweep brushes is the basis of unique construction for faster, easier, better sweeping. Block is $\frac{1}{4}$ usual size—easier to handle. Tufts of longer, better fibres are more compact—provide "spring and snap" action. Handle instantly adjustable to height of sweeper—reduces fatigue and strain. Speed Sweep brushes are built to outlast ordinary brushes 3 to 1.

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service at rates which will penalize air shipment less heavily than at present. Automobiles, farm equipment, plant machinery, mining machinery, and plumbing goods are all considered excellent prospects for big tonnage after the war.

• **Big Potential**—The volume of newsreel traffic which may move to the airlines may be guessed from the 26,000 lb. of preinvasion newsreels offered in New York to airlines whose cargo pits were already bulging.

Such small-volume, high-value collectors' items as rare books, jewelry, stamps and coins, and drawings encourage the airlines' belief that there will be pie in the sky bye and bye.

GAS GOAL IN SIGHT

The United Nations 100-octane gasoline manufacturing facilities are 80% built, according to an announcement from the Petroleum Administration for War. Of a grand total of 189 separate projects authorized, 150 have already been completed. Of the remaining 39 units, 25 are expected to be ready this summer, and the rest before the end of the year.

So far as the United States itself is concerned, 83% of the authorized units—142 of 171—have already been completed. Outside of this country ten out of 18 projects are still unfinished.



FLYING HARVEST HAND

L. J. Letnes and his tiny monoplane are doing a unique job on the wheat harvests that promise the biggest yield in more than a decade (BW—Jun. 17 '44, p19). As aerial liaison man for one of the harvest brigades assembled by Massey-Harris Co. (BW—Apr. 22 '44, p26), the flyer keeps things running

Postwar Airfields

CAA proposals, certain of mixed reaction from industry, almost ripe for Congress to release at propitious time.

A report by the Civil Aeronautics Administration on postwar civil airport requirements will be completed early this month, but it will not be made public until Congress, to which it is directed, reconvenes on Aug. 1.

• **CAA Forehanded**—CAA had foreseen the need for the survey and report, and has been working on it for seven or eight months with the intention of making it public upon completion. In the meantime, however, Rep. Clarence Lea of California introduced a resolution calling upon CAA for an airport report, and Congress passed it on June 23, last day before recess. Control over timing of public discussion of the proposals thus goes to Congress, specifically to the House Interstate & Foreign Commerce Committee.

• **Guided by Stanton**—Preparation of the report has been under the direction of Charles I. Stanton, CAA administrator, and his recent speeches on the subject provide an insight into what his recommendations will be. Stanton has

smoothly as the harvesters roll across Kansas. Hedgehopping the farms, Letnes rides herd on a fleet of 20 self-propelled combines—surveying ripened fields in advance of the crews, maintaining contact between the units, and plotting their courses. In this work he's unhampered by many of the government regulations that cover nonmilitary aviators in wartime.

often proposed that the nation's airport system be expanded by having the states match federal funds, receiving allocations under the same plan which built the federal highway system.

• **The Fund Formula**—He has devised a formula for distributing money to the states in proportion to (1) area of the state; (2) population; (3) number of registered aircraft in the state; and (4) number of existing accredited airports. That formula, or some variation of it, will be in CAA's recommendation to Congress.

Special emphasis will be put on smaller airfields, Class 1 and Class 2, for accommodation of private and other non-scheduled air operations.

• **Industry Backing**—A half-dozen organizations, like the National Aeronautic Assn., National Aviation Trades Assn. (contractors who handled instruction under the Civilian Pilot Training program for the air arms), Aeronautical Training Society (professional air schools contracting directly to the Air Forces), Personal Aircraft Council of the Aeronautical Chamber of Commerce, Assn. of American Colleges, and others, are storming Capitol Hill in the interests of light aircraft. They are convinced that a substantial postwar market for both planes and training will depend almost entirely upon numerous and convenient ports to increase the utility of personal flying.

CAA itself leans strongly toward this point of view, and is virtually counted as one of the group.

• **More Fields, More Business**—Also coming in for special consideration are the fixed-base operators, who make charter trips, give taxi service, handle special air cargo jobs, contract for the delivery of newspapers, and the like. More airfields mean more business for them. In general, fixed-base operators are the same people who sell air instruction, giving both services on the same field.

In the past this group has been the aircraft manufacturers' main dealer and distributor outlets, and it probably will be again. (Some manufacturers are talking about introducing "class" by turning distribution over to sales representatives in downtown showrooms, maybe auto salesrooms, and confining the base operators, mostly pilots with grease under their nails, to demonstrating planes.)

• **Opposition to Feeder Lines**—Another group wanting airports is the Feeder Airline Assn. Included here are the few mail pickup route and other short run companies now operating. Scores more would be included if helicopter services are added, even if the Civil Aeronautics Administration grants only a fraction of the 500 applications on file (BW—Jun. 3 '44, p. 42).

The Post Office Dept., the Civil

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Beauty
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PACKAGES BY RITCHIE PROVE THAT BEAUTY SELLS

PEOPLE shouldn't judge by appearances. But they do! They shouldn't buy things they'll have to sweat to pay for, or a car that strains the budget—just because they're "better looking." They shouldn't select a product, from among its competitors, because it comes in a better looking package.

But—they DO!

Beauty influences their choice in everything from motor cars to mates. And while manufacturers can't change human nature, they do capitalize on it. That's why most products, from washing machines to radios, have been redesigned, not once but many times—and always to more pleasing forms, proportions, colors and finishes. Not to please manufacturers' fancies—but because beauty SELLS!

Beauty—in packaging—SELLS!

That is why, in every Package by Ritchie—whether it contains an exotic perfume or dry-battery cells—you will always find, in its lines, in its proportions, color or design, a strong eye-pleasing quality—elements of beauty.

HOW TO GET A PACKAGE THAT SELLS—Let Ritchie design a package for you and it will have beauty more than skin deep. It will have the right material and structure for its job. It will be practical, convenient to use, easy to handle, to stack and display. It will proclaim your product-identity. It will be memorable and attractive. And Ritchie's expanded, war-developed facilities for volume production assure its low cost. Let Ritchie demonstrate how you can get a better selling package. No obligation. Write us today.

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**RELIANCE^{A-C}
DC MOTORS**

Aeronautics Board, and probably an economical Congress will oppose subsidies for a web of feeder lines, many of which would have small prospect of supporting themselves. Fixed-base operations, right now, boast a much brighter future than small-time scheduled airlines. In many cases fixed-base men propose to run the feeder lines, so all they need do is bide their time to take advantage of any type of expansion.

● **Big Operators Quiet**—The big domestic airline operators are keeping fairly quiet about postwar airports. For one thing, imposing and costly fields have been built all over the country by CAA, for use of the Army and Navy. All are spotted with an eye to commercial use as city terminals. Location of these fields was made on the basis of studies made long before the war by CAA. The airlines are pretty well fixed, but even in cases where they're not, they feel skittish about making more demands on the taxpayers—many of whom can't afford one airliner trip in a lifetime at present fares.

Not by any means will all of the proposed airport program be a federal responsibility. Light-plane groups are badgering municipalities, counties, and states for locally financed airfields everywhere (BW—Apr. 15 '44, p. 54), and with good prospects of success.

● **Controversy Over Strips**—The Aeronautical Chamber of Commerce wants 20,000 "airparks," to cost from \$10,000 upward, each conveniently located adjacent to town limits, with trees and breathing space plus all plane service facilities. The chamber also asks for a system of "airstops" along highways for cross-country flyers.

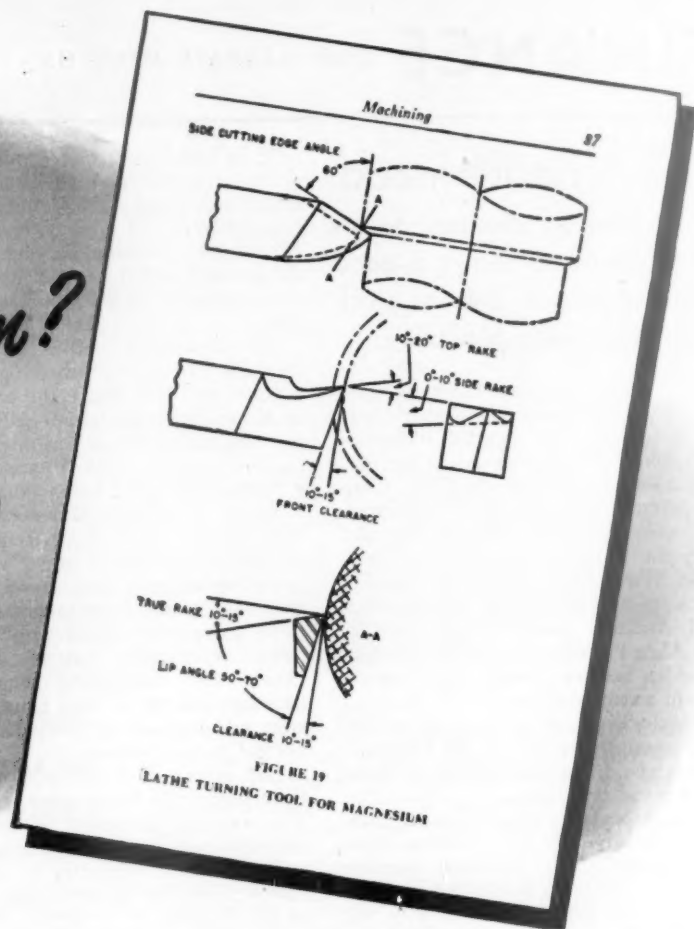
"Airstop" is a euphemism for airstrip, about which there is endless argument. Those opposed to airstrips ask why any air traveler would want to land near a highway. Strip advocates reply: to get gas, oil, and miscellanies from auto service stations.

● **Some Still Unused**—Stanton is a vigorous opponent of the roadside runway (partly because he fears the Bureau of Public Roads will take over the administration of any such program), and he will ask Congress to leave it alone. He may even point out that those roadside runways already built by CAA for the Army—at enormous cost—have not been used.

Rep. Jennings Randolph has introduced an airport bill, calling for appropriations of \$100,000,000 a year for ten years, to be allocated to states under a fund-matching plan like Stanton's. With changes in accordance with CAA's forthcoming report, it could become the Administration-favored measure. There will be strong demand for action by Congress this fall.

Machining Magnesium?

Here's how to
assure
maximum
production



Magnesium alloys have excellent machinability. They can be cut at high speeds and feeds, taking a fine finish, while maintaining close tolerances. Tools used with other metals usually perform satisfactorily on magnesium, but best results can be obtained if these rules are followed:

1. Cutting edges must be kept sharp. Tool faces should be polished to insure free cutting action and reduce the tendency for magnesium particles to adhere to the tool tip. Clearances for chips should be large.

2. Magnesium is generally machined dry. In special cases, however, a cutting fluid is used. Do not use oil-water emulsions.

3. Taps and reamers should be slightly oversize, compared to such tools for other metals; magnesium cuts close to size.

4. Because of a lower modulus of elasticity, magnesium parts must be firmly but carefully clamped, to insure accuracy and prevent deformation.

These are just the high spots of "Do's and Don'ts" learned in our more than twenty years of producing magnesium products. For Mazlo Magnesium literature on this subject, write Aluminum Company of America, Sales Agent for Mazlo Magnesium Products, 1711 Gulf Building, Pittsburgh 19, Pennsylvania.

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PRODUCTS

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CORPORATION**

SUBSIDIARY OF ALUMINUM COMPANY OF AMERICA

I. G. Americanized

German chemical trust's U. S. operation shows a good wartime record. Sale of stock may be an early possibility.

The giant German chemical trust, I.G. Farbenindustrie Aktiengesellschaft, organized the American I.G. Chemical Corp. in 1929—predecessor of the present General Aniline & Film Corp. organization—as a means for expanding the scope of its American dye, chemical, and photographic products interests.

• **At Work for U. S.**—Now according to a report by George W. Burpee, General Aniline's president appointed by the Alien Property Custodian, the enterprise has become a vitally important cog in our war effort.

Uncle Sam took it over early in 1942 and promptly erased all the Germanic character it could—including locks, stocks, and test tubes.

Considered the most notable APC achievement, two I.G. Farben-discovered materials the German operators were never able to put to any practical use are now being employed with telling effect by the Allied armies invading Europe.

These are (1) carbonyl iron powder used exclusively in manufacturing cores for military radio equipment and, (2) Polotron resins which have made pos-

sible an improved paper condenser for electric and electronic equipment. Carbonyl iron powder could once be obtained only from Germany, but General Aniline now can supply all demands for the product, and it has designed similar manufacturing facilities for an Army arsenal.

The company's output of military dyestuffs had been pushed up by last summer to 128% above the company's rated capacity without materially increasing the manufacturing facilities of its General Aniline Works division.

• **Profits High**—The Ansco photographic products division is also breaking all earlier output records for its products, as well as turning out varied war items including sextants, optical and airplane instruments, and high precision equipment. Sales by its Ozalid division of sensitized reproducing materials and machines for reproducing engineering drawings ran up to 1943 figures which were astronomical in comparison with normal prewar business.

Net profits of \$3,625,000 were the third highest in the company's history. The financial statement at the year's end disclosed more than enough cash and marketable securities to cover all current liabilities and working capital of \$29,150,000.

• **Americanization Problem**—The Burpee report insists that managing the property hasn't been a breeze. Extirpating German influence was the big problem.

Instructed by the government to es-

tablish "a completely Americanized institution" and given all the authority required, General Aniline's first war report attests to an order carried out. Credit goes to the Alien Property Custodian and a board of directors made up of representative businessmen.

• **Personnel Upheaval**—Before the taint of German influence could be removed, the new management found it necessary to fire some 30 top executives and about 70 lesser employees. This purge eliminated most department heads and many of the chemists, engineers, and key operators who were responsible for General Aniline's production activities.

Despite the war, however, the tough replacement job was accomplished effectively enough to achieve satisfactory production figures. The directors also have been able to staff a research division with over 100 workers—an innovation for G.A. and one which confounds the basic policy of the old management designed to insure continued subservience to the German parent.

• **More to Be Done**—The possession of many American patents still isn't enough to destroy completely the company's dependence on I.G. Farben. The research reports on which these patents are based are still in German hands.

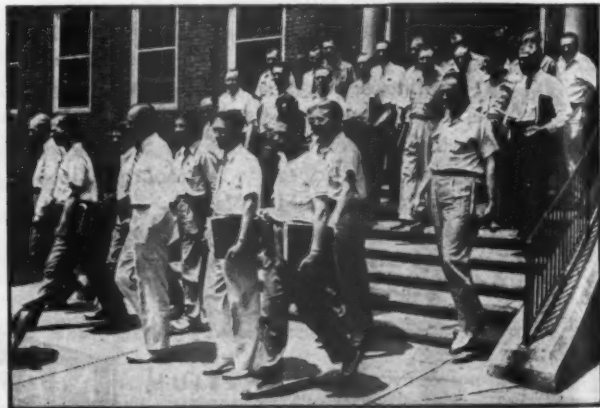
To maintain an independence of I.G. after the war, intensive research is needed. Up to now the staff has centered its attention on developing those patents with the greatest war-waging possibilities.

• **Control Nearly Complete**—While I.G. Farben's stock interest in General Aniline was less than 97% of the outstanding shares, the Alien Property Custodian currently holds 98%. It has bought



BANKERS IN SCHOOL

Some bank executives who haven't been in school for 25 years are using textbooks and attending lectures (left) in the American Bankers Assn. sum-



mer classes at Rutgers University. Conventional business attire is out of style among the graduate students who troop out of class like collegians in sports togs (right). The annual course, conducted by 50 university

professors and bankers, consists of three two-week sessions and provisions for two years of advanced home study. Open only to top banking officers, the school this year has a roster of 472 bankers from 37 states.

Snap(y)-Action on the Breakfast Table!



**"If You Can Solve Our Problem,
There Will Be Micro Switches on
Half a Million Breakfast Tables"**

This sounds great, but . . . please, be patient with us.

This manufacturer—and hundreds of others—will have to wait until the war is over. Our job today is to build hundreds of thousands of Micro Switches for war production. We cannot take time for postwar design problems now, but once the war is over these problems will

become our chief concern.

Through the splendid cooperation of industry we have developed more than 2700 different Micro Switch units. This has enabled us to supply just the proper switch for many different functions on planes, ships, tanks and machine tools. We sincerely thank industry for the fine cooperation given us.

When our responsibilities to the war effort have been met, these myriad combinations of mechanical and electrical characteristics, housings and actuators will enable us to better meet the demand for Micro Switches that will improve the performance of the finer, smaller, more efficient products which will be made available to the public and to industry in the postwar period.

We suggest that your engineers become familiar with the advantages of Micro Switch and its adaptability to your new products. We will send as many copies of Micro Switch Handbook-Catalogs as your engineers may wish for reference.

Micro Switch Corporation, Freeport, Illinois • Branches: 43 East Ohio Street, Chicago (11) • 4900 Euclid Avenue, Cleveland (3) • 11 Park Place, New York City (7) • 1709 W. 8th St., Los Angeles (14) • Sales & Engineering Offices: Boston • Hartford • Portland, Ore. • Dallas, Tex.

LET'S ALL BACK THE ATTACK—BUY EXTRA WAR BONDS



A star has been added to our "E" flag as further recognition to the men and women of Micro Switch for maintaining our war production standards.

"Uses Unlimited"—a dramatic talking motion picture of Micro Switches, in color, is available to industrial groups, training classes, schools and colleges, through Y.M.C.A. Motion Picture Bureau, New York, Chicago, San Francisco. Size: 16 mm. Length: 40 minutes. Write us for details.



The basic Micro Switch is a thumb-size, feather-light, plastic enclosed, precision, snap-action switch. Underwriters' listed and rated at 1200 V.A., at 125 to 460 volts a-c. Capacity on d-c depends on load characteristics. Accurate repeat performance is experienced over millions of operations. Wide variety of basic switches and actuators meets requirements varying from high vibration resistance to sensitivity of operating force and motion as low as 2/1000 ounce-inches. Many types of metal housings are available.

The trademark MICRO SWITCH is our property and identifies switches made by Micro Switch Corporation © 1946

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Will the purchase of some of the surplus machinery and equipment that will be offered for sale by Government agencies present a profitable opportunity for you to make needed plant improvements?

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Our financing program is devoid of red tape; there's no interference with either business or management, costs are low and our methods are designed to fit individual needs. Inquiries are invited, without obligation, regarding the scope of C.I.T. Financing Services. Send for booklet on "Machinery Financing."

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stock held by former company officials. The 2% privately held is in the hands of 600 stockholders, only six of whom own more than 1,000 shares.

All outstanding stock of General Dye-stuff Corp., the sole selling agent for General Aniline, is held by the APC, and Burpee revealed that a merger has been under discussion.

• **Stock to Be Sold**—Burpee also announced that the present Alien Property Custodian, James E. Markham, has had consultations with investment banking groups concerning a public distribution of both companies' stock. This may be arranged before the end of the war, the custodian's sole interest being choice of the most propitious time for such a sale.

Steps will be taken in the event of sale to insure that the total Americanization of General Aniline is continued under private ownership, and that control will not return to aliens.

• **Easier This Time**—The custodian will pursue similar ends in disposing of ownership of the company's patents and licensing rights, as well as the marketing rights of its products, in the Western Hemisphere and the Far East. Although the same objectives, involving the same properties, were sought after the last war—with a marked lack of success—Markham professes to think that they can be achieved now without difficulty.



SEC'S PERENNIAL

Since 1942 youthful Ganson Purcell has headed the Securities & Exchange Commission. Last week he was re-elected for a third term. A native of California, the 38-year-old Washington (D. C.) attorney joined SEC's legal staff in 1934, served as director of the trading and exchange division from 1937 to 1941 when he was made a full-fledged commission member.

Louisville Dickers

Purchase of power and gas utility proposed by city. Management company planned to hurdle salary barrier.

Louisville officials have announced that the city has decided to purchase, if possible, the electric and gas system now operated by Louisville Gas & Electric Co.

After lengthy discussions with Standard Gas & Electric Co., controlling factor in the public utility, the Louisville authorities currently feel confident that such a deal can be arranged without much delay.

• **Price Not Revealed**—Acquisition of the L.G.&E. property by Louisville would represent one of the largest municipal-ownership transactions ever consummated in the U. S., and many persons familiar with the situation believe the question of price is about the only wrinkle remaining before the deal can be concluded.

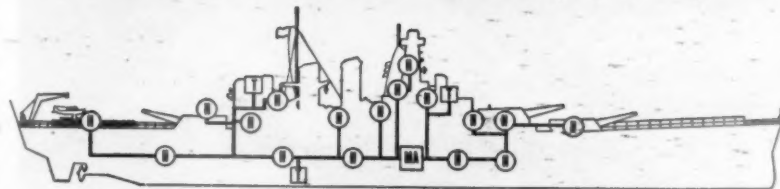
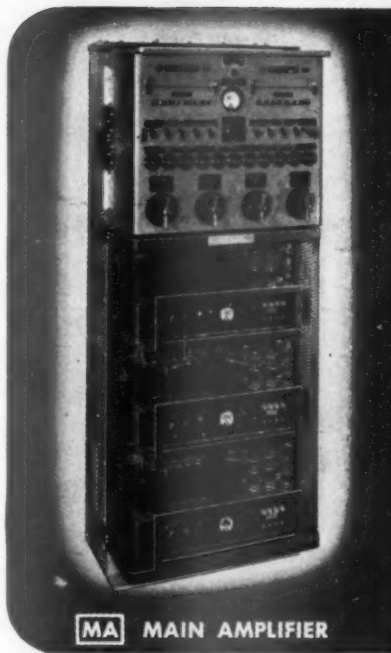
Thus far the municipal officials have not revealed what price they have offered, or what range of prices may have been covered in the negotiations which are still in progress. Financial circles, however, doubt that the owners would consider any offer below \$85,000,000 since that figure represents the current market value assigned to all of the publicly recorded securities the company now has outstanding.

• **Plan Revenue Bonds**—If an acceptance of its purchase proposals is received, Louisville intends to acquire the needed funds through the sale of revenue bonds. These would be secured entirely by earnings of the property, and would not constitute an obligation against the city.

On such a basis, moreover, the deal could be quickly carried through since no vote on the question would be necessary. Authorization would be needed only from the board of aldermen, subject to the mayor's approval.

• **Financing Arranged**—An investment banking syndicate, headed by New York's Lehman Bros. and Blyth & Co., is reported to have agreed to handle any public offering of the bonds, and Louisville fiscal authorities seem confident that any bonds issued to buy the property could be retired within 15 years.

These officials also estimate that, through municipal operation of the property, the city could make an annual profit of \$3,000,000 to \$4,000,000 even though present electric rates were reduced. They envision possible savings under municipal ownership through



BATTLE CALLS AT SEA DEPEND ON

“Electronics”

Every man on board a U. S. warship is alert to battle orders and information — knows *instantly* where to go and what to do because of Navy “battle announce.” In a factory, you’d call it “plant broadcasting;” in an auditorium — “public address.” Naturally, Operadio people are proud that they were given *complete responsibility* for the design, engineering and manufacture of battle announce systems for hundreds of America’s fighting ships. The assurance that this tool for teamwork can also give yeoman service in *your* business is backed by Operadio’s years of experience and excellence in sound transmission and amplification.

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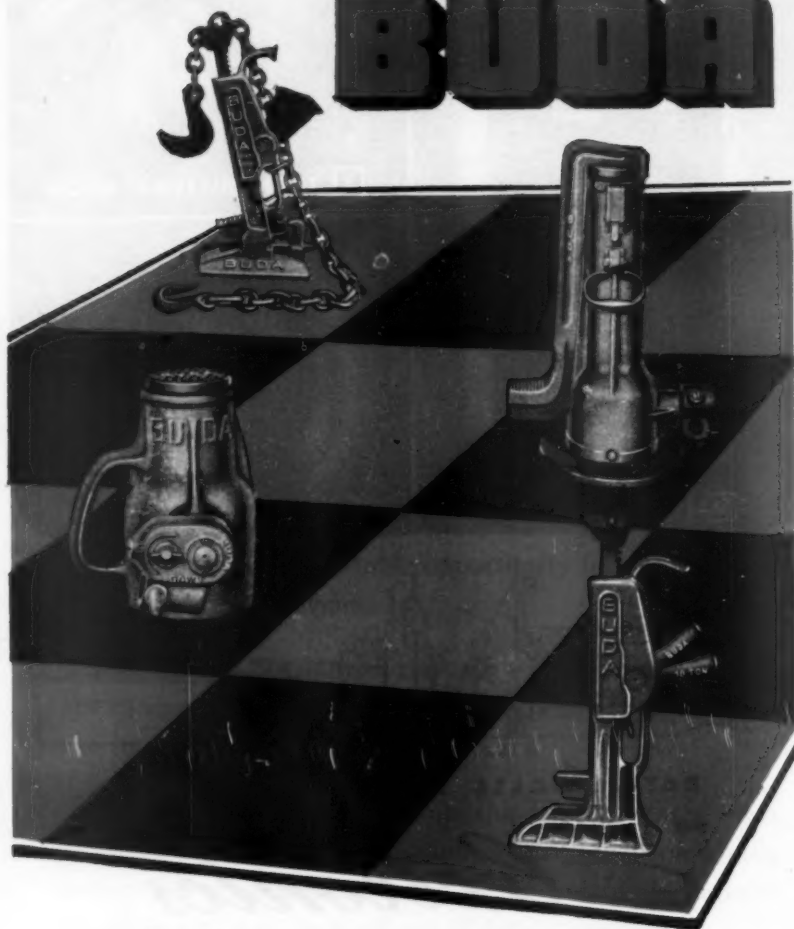
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elimination of federal excess-profits taxes. The company's 1943 federal tax bill was \$3,450,000. Backers of the purchase also point to payment out of earnings in 1943 of \$3,793,000 for interest and dividends against interest charges of \$1,700,000 which the city would pay on the proposed revenue bonds.

• **Obstacle**—One obstacle which has hampered previous discussions of municipal ownership has been the question of how qualified officials could be hired to run the system in view of a present constitutional limit of \$5,000 on individual municipal salaries.

Louisville authorities now think they can get around this barrier by organizing a management corporation and pay the salaries and wages of those engaged in operating it through this company.

Lever's New Bid

Soap company adds new drugline by acquiring Pepsodent, top-ranking toothpaste. Stock of both companies privately held.

Lever Bros. & Co. of Cambridge, Mass., second in size only to Procter & Gamble in the highly competitive soap business, has just announced its acquisition of the Pepsodent Co. (BW—May 13'44,p86), for a reported cash price of \$10,000,000.

For Lever Bros. the deal means more than just the acquisition of the largest selling dentifrice in America. It means that Lever Bros. intends to fight Procter & Gamble and Colgate-Palmolive-Peet in the drug field as it has in the grocery fields, for Lever intends to turn over to the sales organization of its new Pepsodent division responsibility for the drug store merchandising of all its products—Lux, Lifebuoy, and Swan soaps, Lux soap flakes, Lifebuoy shaving cream, and Vimms, a vitamin preparation.

• **Opening the New Front**—P. & G. first served notice that the "Battle of the Suds," involving endless litigation over patents and merchandising activities (BW—Mar.11'44,p17), would be fought across the drug counters as well as in the grocery stores when it created a drug and allied products division last year, staffed by drug merchandising experts.

Lever Bros. intends to place responsibility for its new drug sales effort in the hands of Pepsodent's hard-hitting, 35-year-old president, Charles Luckman, who is credited with having regained for Pepsodent last year the sales supremacy which it lost almost a decade ago because of its tardiness in meeting drug-

gist demands for price stabilization under fair trade laws (BW—May 13 '44, p86).

Neither of the companies involved has any securities publicly outstanding.

The Pepsodent Co., for example, has but three stockholders, Kenneth Smith, son of the founder who owns a majority of the stock; A. D. Lasker, former head of Lord & Thomas (now Foote, Cone & Belding), Pepsodent's advertising agency; and Luckman, who is said to hold a 15% interest.

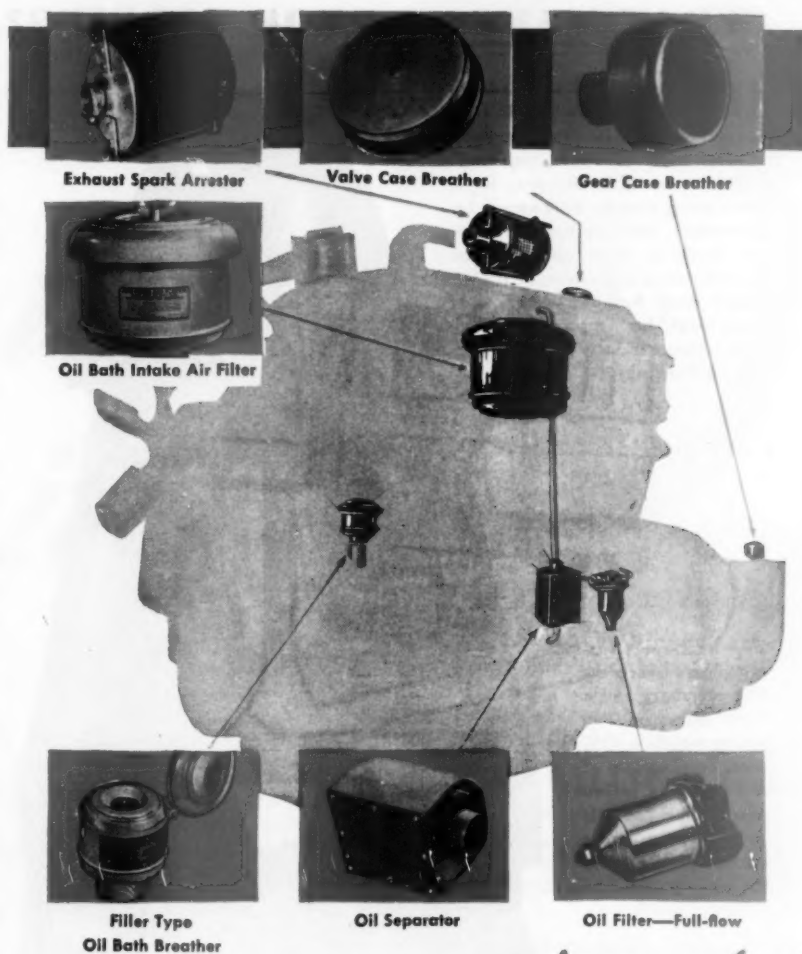
● **Two Unknowns**—Pepsodent issues few financial details for public consumption, but trade reports indicate that its 1943 sales volume topped the \$50,000,000 mark and that gross profits came to around \$3,000,000, compared with only about \$600,000 six years ago. Pepsodent 1944 sales are understood to be running roughly 10% above year ago levels.

Lever Bros. Co., wholly owned in recent years by Lever Brothers and Unilever, N. V., of Rotterdam, Holland, an affiliate of Lever Brothers and Unilever, Ltd., of Great Britain, has been regarded since its organization in 1899 as just a branch office of the British organization, one of England's largest industrial enterprises, in the sense that the highly successful American company does not originate basic policy. Its president, Francis A. Countway, is one of the nation's most highly paid executives.

Lever Bros. has never published any financial details, but its sales last year probably ranged somewhere between the \$300,000,000 turnover reported by Procter & Gamble and the \$135,000,000 of Colgate-Palmolive-Peet.



Credited with skyrocketing the Pepsodent Co. into the upper stratum of dentifrice sales, Claude Luckman, president, is the choice of Lever Bros.—the new owners—for the same post.



7 places to keep engines safe!

From air intake to exhaust—wherever lubricants and vital parts are exposed to air—Air-Maze offers devices to lengthen engine life, maintain efficiency and reduce maintenance.

The varied design and application of the seven units shown here can only indicate the scope of Air-Maze facilities and experi-

ence in solving filtration problems.

Wherever excessive engine deposits, oil contamination or wear can be remedied by efficient filtration or engineered crankcase ventilation, we will be glad to make specific recommendations.

Send for Catalog AGC-144 for further data on types and application of Air-Maze filters and special devices.

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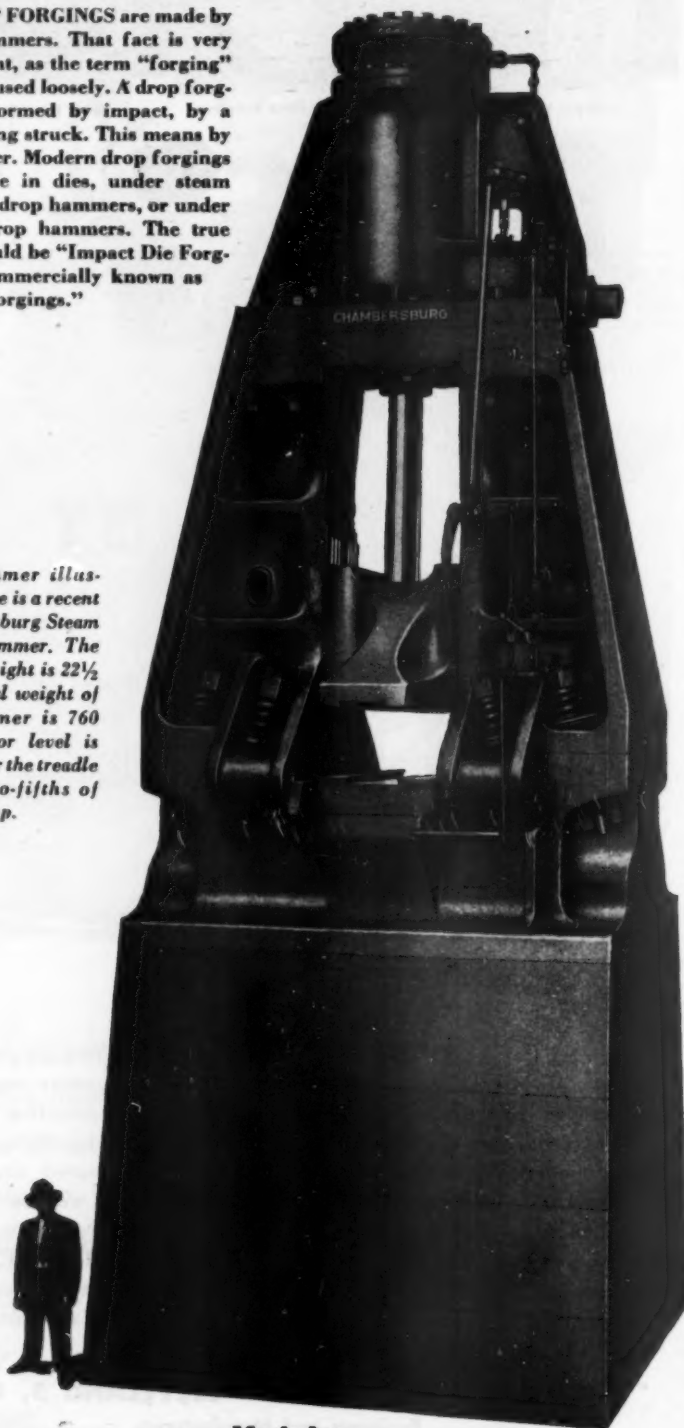
Representatives in Principal Cities • In Canada: Williams & Wilson, Ltd., Montreal, Quebec, Toronto, Windsor; Flock Bros. Ltd., Vancouver, B. C.



WHAT MAKES A DROP FORGING?

DROP FORGINGS are made by hammers. That fact is very important, as the term "forging" is often used loosely. A drop forging is formed by impact, by a blow being struck. This means by a hammer. Modern drop forgings are made in dies, under steam (or air) drop hammers, or under board drop hammers. The true term would be "Impact Die Forgings" commercially known as "Drop Forgings."

The hammer illustrated here is a recent Chambersburg Steam Drop Hammer. The falling weight is 22½ tons. Total weight of the hammer is 760 tons. Floor level is just under the treadle about two-fifths of the way up.



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WAR BUSINESS CHECKLIST

A digest of new federal regulations affecting priorities, price control, and transportation.

Relaxation of Priorities

To compensate for the recent cut in the phthalic anhydride content of protective coatings, limited quantities of ethyl cellulose may be allocated under WPB Order M-175 for an indeterminate period for use in conjunction with alkyd resins allocated under Order M-139. . . . WPB Order M-19, as amended, raises the small order exemption on chlorine to allow all cylinders of less than 2,000-lb. capacity in such orders, regardless of total weight in any one period; the end use certification formerly required for small chlorine orders is removed. . . . After July 1, licenses for the importation of wool will be granted without restrictions against carpet wool, WPB has advised the Wool Floor Covering Industry Advisory Committee.

Renegotiation Regulations

The Superintendent of Public Documents, Washington, D. C., has announced that a loose-leaf manual on renegotiation regulations, issued by the War Contracts Price Adjustment Board, is available at a prepaid price of \$2.00. This will include twelve monthly supplements.

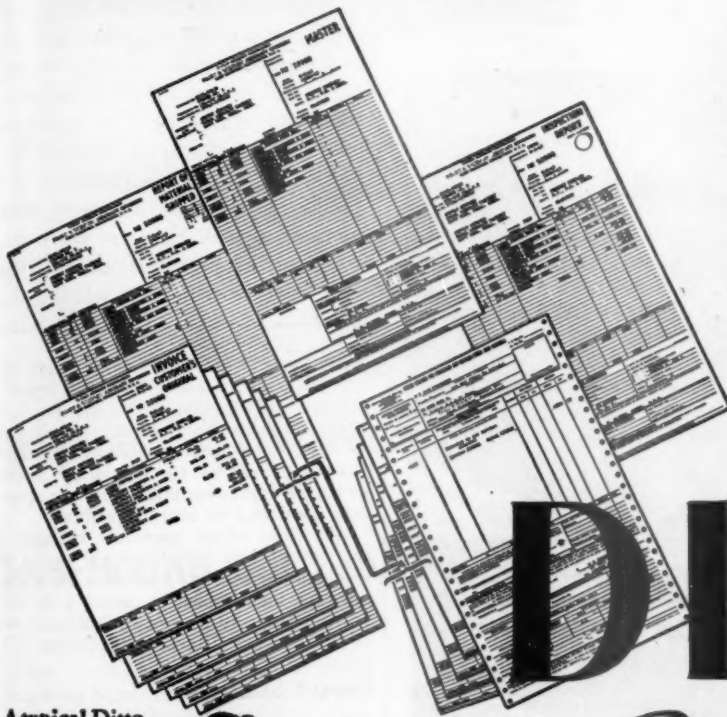
Excess Material

Anyone who has on hand excess materials or products may get permission to use them himself rather than dispose of them in special sales. A new procedure established by WPB applies to excess controlled materials and Class A products (covered by Direction 52, CMP Regulation 1) as well as to other materials and products (covered by Direction 4, Priorities Regulation 1). Application for permission to use these excess items should be made to WPB field offices. Permission will be granted provided that the materials are to be utilized for a purpose that would have been allowed if they had been obtained through a special sale under PR 13, and provided that the operation will not interfere with war production.

Services

OPA has revised its regulation covering maximum prices for services to simplify the order and to bring under the revised regulation nearly all services that were formerly controlled by General Max. The revision takes effect Aug. 1, 1944 (Sept. 1, for Alaska). Most prices will remain as they are, but those that are determined on the basis of prices of a "similar service," or on a price adjusted in accordance with the seller's price differentials, will have to be refigured. The three groups of services remaining

One-writing does it!



- 1•PURCHASING**—Get raw materials into your plant 10 days faster!
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THEN POWER SHOVELS WILL BE

Braked Electrically

WHEN World War II struck the world with all its fury, Warner Electric Brakes were ready! Immediately, their accurate control and split-second stopping power, as proved in years of service on leading tractor-trailer fleets, were enlisted by our armed forces. Dependable in all kinds of weather, Warner Electric Brakes were adopted for essential motor transports and huge artillery pieces, demonstrating their superiority today on all of the world's battlefields. And when Victory is won, the experience gained under most grueling war conditions will be applied to electric brakes for scores of new peacetime uses. Then power shovels—and many other types of power equipment will be braked electrically.

WARNER ELECTRIC BRAKE MFG. COMPANY
Beloit, Wisconsin



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ELECTRIC BRAKES

BUY
WAR BONDS

CONTROLLED SPLIT-SECOND STOPPING POWER FOR ANY PURPOSE



KEEPING HANDS OFF

Most industrial gloves are designed to safeguard the worker; some are worn to protect the work. Among the product protectors are the white kid gloves issued to Auto-Lite Co. employees who make and inspect delicate bearings for automatic aircraft controls at Toledo, Ohio. The handwear keeps corrosive perspiration and body acids from touching precision surfaces—then goes home with worker when soiled.

under General Max. are: transportation services of contract carriers; storage, warehouse, and terminal services; electricity, gas, light, heat, power, or water services when these are furnished by other than a public utility. Rentals of articles are considered services under the regulation unless they are specifically controlled by other regulations.

All sellers whose prices are changed by the revision and sellers brought under the regulation for the first time must file a statement of their maximum prices with their boards within 30 days of the effective date of the revision. (Revised Regulation 165.)

Export Subsidies

To compensate exporters for losses of subsidy payments on exported items, OPA has ruled that if a subsidy is paid on a product in the domestic market but is not paid, or must be repaid, when the product is exported, the exporter may add the amounts of the subsidy to his base price in figuring his maximum export price. Domestic sales—to exporters or other purchasers—will be made at regular domestic prices. If the exporter must reimburse the government for the subsidy before the product leaves the country, he may add the amount of the reimbursement to his price. The only items immediately affected by this action are dried prunes, raisins, and dried beans. As other products are brought under



The B-29 shown here without its armament. The plane in the background is a Boeing Flying Fortress

Shortening the road to Tokyo

When word flashed around the world that B-29 Superfortress crews had ended the training stage and gone into action against Japan, it was cheering war news.

But behind that news is an even deeper significance. For the Boeing Superfortress marks the greatest single advance in aviation since the war began.

Many details of the B-29's performance must still remain military secrets but it can be stated without qualification that this is the most potent weapon of air warfare ever developed.

Half again as large as the Boeing Flying Fortress, the Superfortress is faster,

carries a far heavier bomb-load and has greater range than any other bomber in combat today.

The same Boeing engineering staff that designed the B-17 Flying Fortress is responsible for the Boeing B-29. Working closely with the Army Air Forces Materiel Command, these men have incorporated in the new Superfortress many of Boeing's unique principles of design. Only the keen engineering vision and production skill which enabled Boeing to give America the 247, first modern-type commercial transport—the Flying Fortress—the famous Stratoliners

and transocean Clippers—could have done this job and done it in time.

So urgent do military authorities regard the need for this new Boeing bomber that they have requested several of the nation's largest aircraft factories, in addition to the Boeing plants, to build it.

How many of the B-29 Superfortresses are to be built, and where and how they will be used, must remain restricted information. But you can rest assured that in the hands of courageous, keenly trained American crews these great ships are a formidable weapon for Victory.

DESIGNERS OF THE FLYING FORTRESS • THE NEW B-29 SUPERFORTRESS • THE STRATOLINER • TRANSOCEAN CLIPPERS

BOEING

FINISH THE FIGHT WITH WAR BONDS

your saws are cutting everything from bamboo poles to bricks



"Out here in India," writes an Army Lieutenant, "Disston saws are doing their part to slap the Japs. You would shudder at the uses and abuses to which your saws are put. One of our bearers, a native lad, has been doing yeoman service on everything—bamboo poles, rubber hose and red bricks."

Yes, the army needs toughness in tools as well as in men. Perhaps that's why so many Disston saws are found with the armed forces—from Greenland to India. Ski troopers use light-weight Mountain Buck Saws, specially developed for them by Disston. On other battlefronts, Disston

Power-Driven Chain Saws are clearing the way through woods or jungle for tanks, trucks and guns. And wherever you go, you'll find Disston hand saws, circular saws, files and hack saw blades close behind the lines.

Disston has produced many special tools for war industries, too. For example—Powder Heads used in making gun powder; Valve Plates for the scavenger pumps of tankers; a specially-shaped file for use on Stainless Steel blades of turbines for destroyers.

The skill, the steel, the experience and engineering that helped solve these problems are vital ingredients of Disston *standard* tools. So when you need wood or metal cutting saws, files, hack saw blades, tool bits or machine knives, depend on Disston for tools that cut costs as well as they cut materials.

For information, write Henry Disston & Sons, Inc., 728 Tacony, Philadelphia 35, Pa., U. S. A.



DISSTON

Conserve Man-Minutes and help win the war



the subsidy arrangement, they will be covered by this regulation. (Amendment Second Revised Maximum Export Price Regulation; Amendment 3, Maximum Price Regulation 475.)

Shoes

Beginning Sept. 1, 1944, WPB will permit the manufacture of two-toned shoes made with other-than-leather soles. The same amendment allows the use of white cattlehide leather in the production of shoes to provide more suitable material for infants' and children's footwear. Restrictions on the use of steel shanks will be relaxed to allow a heavier gage shank. Effective immediately, shearling slippers may be made in any color provided that no other leather is used for soles or uppers. (Order M-217, as amended.)

Bituminous Coal

Bituminous coal producers should include in their regular June report of operating data (OPA Form 653:499) the amount paid each coal miner in accordance with the provisions of the settlement of the portal-to-portal wage dispute. The statement should show the total amount of retroactive portal-to-portal wage settlement liability; the amount charged off by reserves or payments reported as costs on the same form up to June 1, 1944; the remaining liability on June 1 and the proposed schedule for charging it off. (Amendment 103, Regulation 120.)

Mexican Beverages

Importation of an additional 325,000 proof gallons of Mexican gin, rum, and other Mexican beverage cane spirits is authorized by WPB as a result of the recent 25% increase in 1944 import quotas (BW-Jul.1'44,p79). The increased quota takes care of distressed importers who, when the March 15 restrictions on imports went into effect, were left with commitments which they could not fulfill.

Farm Implement Tires

Maximum wholesale prices of farm implement tires and tubes for sellers other than brand name owners will be determined on the same basis as ceiling prices for farm tractor tires and tubes, since the industry has always treated these tires as one group. OPA has set for implement tires and tubes a discount of 25% from maximum retail prices—the discount in effect for tractor tires and tubes. (Amendment 1, Revised Regulation 143.)

Machinery

With the revocation of Order L-159 governing new and used plastics machines, control of new plastics molding machinery has been transferred to General Scheduling Order M-293. Included in the group of new plastics molding machinery now allocated under this order are the following types: compression (automatic, hydraulic, mechanical), extruders, injection laminators,

The watch on the Chemung...



CORNING'S usually the sort of place where you are more likely to be greeted with a friendly "Hi!" than a gruff "Halt!"

But war has changed that, at least on the surface. The iron gates that once were always open are now closed and locked. Trim khaki-clad guards check the now infrequent visitor in and out. Where the Chemung river flows like a medieval moat behind the plants, men with rifles and searchlights keep a grim 24-hour watch in tall armored towers.

For Corning, like many another peacetime industry, has turned into an efficiently producing arsenal. In the main plant, for example, 95% of production is for war. A lot of these products we couldn't brag about if we wanted to, because they're secret. Then

too, there are always those big bulletin boards in front of our plants with the names of more than 3000 of our own men and boys to remind us that anything we can do at home is worth little compared to what they are doing for us.

If we are proud, it's for one reason only. That Corning before the war was the kind of place it was. Sort of a headquarters for glass research. So when the war came along an established research organization was in Corning already, with a 75 year back-log of experience accumulated by free enterprise under the American system.

As soon as the war is won, and sooner if war work permits, we'd like to get back to working on industry's glass

problems. We've learned a lot during the war about glass as a material. Meanwhile if you think glass might help in your war plant, write us. Corning Glass Works, Department 47-B, Corning, New York.

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1919's VISION IS 1944's REALITY



A DREAM COME TRUE—a completely coordinated and integrated air-rail express service!

Ever since the fast, safe, personalized handling of shipments we know as Express Service was developed in 1839, it has been distinguished by adapting new techniques.

From the moment the airplane was proved capable of sustained flight, alert Railway Express began to plan how this new transportation vehicle could be made to serve the needs of industry and the public.

Step by step the way was proved. 1919 saw the first chartered flight for Air Express on a definite route, New York to Chicago. 1927 was a real milestone year. It saw the establishment of

the nation's first Air Express network serving 26 airport cities coast-to-coast, and the formation of Air Express Division of the Express company, the essential step toward providing a responsible, coordinated air-rail express service. 1944 — Air Express directly serves 350 airport cities at 3-mile-a-minute speed, and 23,000 Railway Express offices the nation over through integrated Air-Rail service. International Air Express to over 60 foreign countries.

From 5,160 shipments in four months of 1927 to over 1,500,000 in 1943 — that's the record of Air Express. Serving the war effort today spectacularly and successfully, Air Express coordinated with Railway Express will serve you well tomorrow.



laminating process (laboratory type), and preformers (excluding ceramic). Restrictions on presses for inedible oils and greases are relaxed. Machines that are placed under allocation for the first time are: concentrators, precipitators, salt processing evaporators, crystallizers, columns, glass-lined equipment for DDT and penicillin, and others. Types of paint machinery that have hitherto been uncontrolled include: roller, ball pebble, colloid, and stone mills, mill pulverizers, and paint driers. (Table 15, WPB Order M-293, as amended.)

Woodworking Machinery

Woodworking machinery selling for \$350 or less (Class II machinery under WPB Order L-311) may be obtained with blanket maintenance, repair, and operating supplies (MRO) preference ratings. Formerly, only machinery valued at less than \$175 could be purchased with these ratings. Items which may be delivered without regard to preference ratings now include low and high-temperature fractional distillation equipment for gas and gasoline analysis. (Priorities Regulation 3, List A and List B, as amended.)

Other Price Actions

Manufacturers of cable wrapping tape made of Buna-S or Butyl who in March, 1942, based their prices on weight may recompute their maximum prices on a per-yard basis after July 3, since natural rubber is heavier than the synthetic rubbers (Amendment 16, OPA Regulation 220).... To curb rising prices of alfalfa hay and thus keep down the cost of livestock and livestock products, OPA has placed maximum prices on alfalfa hay on a nationwide basis; prices vary by area and with the seasons (Second Revised Regulation 322).... Under Amendment 44, Revised Ration Order 13, and Amendment 7, Revised Ration Order 16, new retailers and wholesalers of meats—except those who handle canned fish—and new retailers of processed foods need not register if they deal entirely in items that have a zero point value. . . . When fish dealers sell custom dressed fish to restaurants and hotels on a cash-and-carry basis, they may add 2¢ a pound on such sales to their dressed fish ceilings. . . . Rationed foods may be used in "demonstrations" by industrial users to show a prospective purchaser how an item of rationed food looks, how it may be prepared, or how it tastes, provided that the foods are not distributed from door to door and provided they are eaten on the spot. (Amendment 43, Revised Ration Order 13.)

Other Priority Actions

WPB has announced that July allocations of butyl alcohol and butyl acetate for use in lacquer solvents for civilian requirements will be cut sharply to take care of increased military and lend-lease demands. . . . Through an amendment to Order L-42, WPB makes it clear that limitations on the use of metals in plumbing fixture fittings and trim apply to the assembly and finishing of such equipment as well as to the manufacture.

PRODUCTION

Prefab Bridges

Fast, precision methods are developed for manufacture of interchangeable sections of new portable spans.

Bridge units made up in advance—like shelf merchandise—are a war development about which little has been heard.

But the fact that a prefabricated, sectional, all-purpose, any-gap bridge (called the "panel" bridge by the U. S. Army and the "Bailey" bridge by the British, for a member of the Ministry of Supply who played a big part in its development) now exists makes it important in its own right.

• **Proved in Combat**—This versatile, practical, portable sectional bridge was developed by British army engineers for hurry-up replacement of English bridges wrecked by German bombers.

Its usefulness earned it a trial in combat zones where it proved it can span any gap up to 240 ft. without pontoons—still broader gaps with them.

• **Adopted by U. S.**—More recently the U. S. Army Corps of Engineers adopted it as standard for battle use, because it can be erected rapidly with relatively unskilled labor under the least favorable conditions.

Now it is in large-scale production by the Mississippi Valley Structural Steel Co. in plants at St. Louis, Mo., Decatur and Melrose Park, Ill.

• **Like "Erector" Parts**—Best nontechnical description of the panel bridge

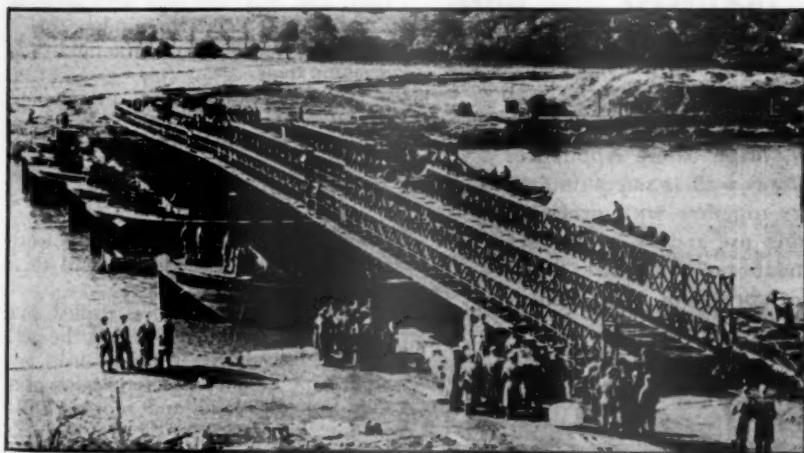
units is that they are a large-scale set of parts resembling the "Erector" or "Meccano" sets used by youngsters for construction toys.

Some few parts are even predrilled "Meccano"-fashion with holes to permit use of the piece in various combinations with others. The design is a simple Pratt truss in sections 15 ft. and 20 ft. long, made up of either two or three 5-ft. panels and two half-panels—hence the American name.

• **Pushed Across**—Sections can be assembled into any span length from 15 ft. to 85 ft. in multiples of 5 ft. Each section of truss includes standard parts interchangeable with any other truss. Through-type bridges can use two or four trusses, while deck spans can be made of two or three-trusses. When assembled, the chords are 6 ft. 10 in. back to back. The design also permits erection as skew spans with one- or two-panel skews. Sections are assembled on rollers on the bank of a gap and the whole bridge pushed across by the erection crew. If there is not room for the entire unit on the bank, it can be assembled and rolled across section by section.

• **Unusual Features**—Parts are designed to take maximum advantage of strength and lightness gained through welding. Several unorthodox touches are included, such as having the working points of the panel intersections intersect outside the chords, thus eliminating the usual gusset plate connections.

The various members—chords, web units, posts, and splices—are assembled with 1-in. bolts or 1½-in. drift pins turned down to close tolerance for snug



Allied military engineers practice assembly of the new British-American prefabricated bridge before going to France to give it exhaustive combat tests.

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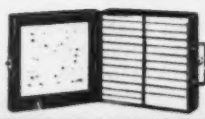
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fit into drilled holes. The pins are upset at one end into a head and tapered at the other end for driving. A holding pin fits through the tapered end. Bolts are used in the assembly only when they are in direct tension, otherwise the pins are used. Pins are driven and extracted with a special tool.

• **Interchangeable Parts**—Bracing and connecting of the trusses vary according to whether the bridge is erected for two- or three-truss deck spans, or two- or four-truss through spans. All structural members are relatively light, requiring only the simplest erection equipment.

Outstanding specification of the bridge parts is that they must be so accurately made that any piece made by Mississippi Valley Structural Steel Co. is interchangeable, not only with all other units made by this company, but also with all similar parts made in Great Britain.

• **New Shop Techniques**—Up to the time the unit construction bridge was adopted by the U. S. Army, approximately 50 bridges had been built by the British in railroad and machine shops.

To work to the required tolerances, at mass-production speed, required Mississippi Valley Structural Steel to develop a new set of shop techniques. In all preliminary production planning and tool design, British methods and procedures were withheld from the American engineers to compel original thinking. Once the American plans were completed, they were studied alongside the British plans, and the best features of both were merged.

• **New Jigs Designed**—British practice had used comparatively light jigs, and bushings without liners. To achieve fast output of precision work, Mississippi Valley Structural Steel engineers designed special, heavy, automotive-type welding and drilling jigs, built accurately and fully equipped with accurate bushings and liners, to produce precision work from ordinary structural shop machine tools.

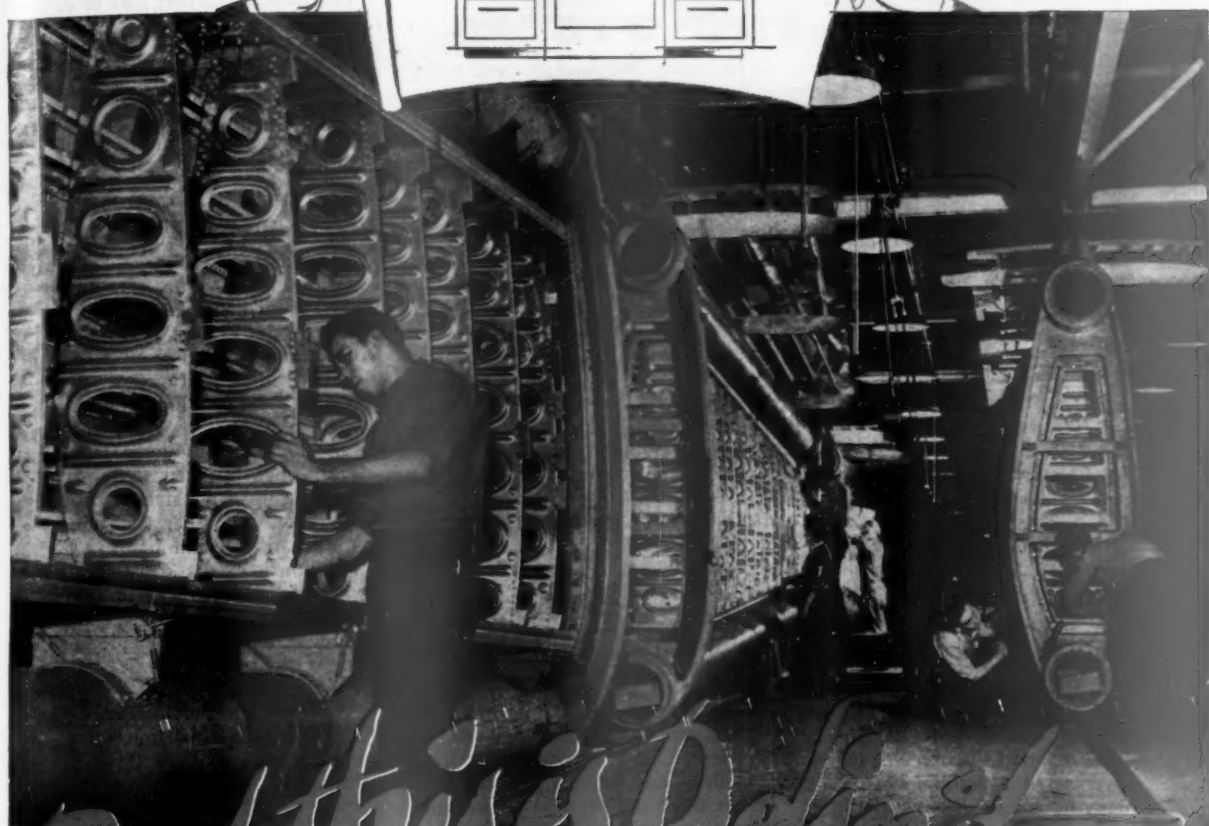
To hold assembly time to a minimum, the edges of a good many bridge plates and parts are machined, thus insuring rapid and accurate assembly of the parts in the welding jigs, and reducing shrinkage and warpage.

• **Drilling Problems**—Most of the work is subpunched or subdrilled, and then drilled to exact size.

Some of it, however, is drilled full size from the solid metal within the permissible tolerances. Multiple drills are used. One drills 22 precision holes at a time from the solid, and another drills 168 precision holes per piece at the rate of 400 holes per hour.

• **The Commercial Outlook**—Mississippi Valley Structural Steel officials have no illusions that their relatively high cost

THIS IS DOUBTFUL...




But this is Definite

while much general discussion is going on about after the war, we stick to one theme—producing* enough of what's needed to win it. When we do start planning Kitchen Equipment for the **AMERICAN** home it will embody many lessons this experience has taught us.

*JEEP BODIES, TRAILERS, OUTER WINGS, TOP CENTER SECTIONS, TOP TURRET DECKS FOR FAMOUS LIBERATOR, OUTER WINGS FOR VULTURE VENGEANCE DIVE BOMBER, MANIFOLDS.

Photo shows huge jigs on overhead conveyor for expediting production of Liberator bomber wings.

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precision, shelf-stock bridge will drive conventional bridge design out of the postwar market. In its nature, the unit construction bridge is too expensive for commercial competition under ordinary conditions.

But the manufacturers do foresee a limited postwar market among customers who might be sold standby bridge equipment for emergency use. Conceivably, a panel bridge parked on flatcars at every division point might be worth the cost to the maintenance-of-way department of major railroads as insurance of restoring service more rapidly in case of bridge washout or other bridge failure. On isolated but important roads where rerouting of traffic would be difficult (as on the Alaska Highway), public roads authorities might be induced to cache a few unit bridges—just in case.

REFINING BY BACTERIA

Some scientists think it is reasonable to theorize that petroleum may have been formed by bacteria, acting on vegetable and animal matter in ages past, and that such action is a continuing process.

A corollary of this theory is that bacteria may be used, rather than heat and pressure, to refine petroleum or break it up into various hydrocarbon products.

Progress toward proof of such theories is reported by Dr. Claude E. ZoBell and J. G. Jankowski, in a research project financed by American Petroleum Institute at Scripps Institute, La Jolla, Calif.

Dr. ZoBell reported discovery of two or three species of anaerobic bacteria of the genus or family *Sulfovibrio* in oceanbed ooze. As the name *Sulfovibrio* indicates, they imbibe sulphur (and other elements) in place of oxygen. Petroleum hydrocarbons were found to be byproducts of their existence.

Gypsum at War

Despite production drop in 1943, product is functioning on many wartime fronts. New peacetime uses are planned.

With most cantonments and many war housing projects completed, producers of gypsum products are coasting along. However, they are taking advantage of the critical lumber shortage to sell gypsum board for home remodeling and other allowable construction. At the same time, they are planning to seek a larger share of business when the postwar building boom gets under way.

• **Many Wartime Jobs**—Gypsum is still doing an important war job, but the volume of sales is not what it was in the twelve-month periods before and after Pearl Harbor.

Calcined gypsum, or plaster of paris, is being widely used, for instance, as a molding agent in the casting of vital parts for war weapons. In the manufacture of some self-sealing aviation gasoline tanks, it is used to form the rubber linings. Gypsum has made possible a new foundry technique, whereby nonferrous metals may be cast to microscopic accuracy.

• **Variety of Uses**—Gypsum is used behind the battle lines to make casts for injured arms and legs. It long has been used for dental molds, and more so in wartime. Gypsum serves more than 900 civilian and military purposes.

It has been in the field of wartime construction, however, that gypsum has made its greatest contribution. Converted into such "synthetic lumber" products as lath, wallboard, sheathing board, and laminated board, it facili-

tated the building of barracks and war workers' homes. Gypsum also came in handy for farm construction when wood became the No. 1 critical material.

• **Looking to the Future**—Out of this experience, the gypsum industry got its vision of greater postwar possibilities.

The most important uses of calcined (partly dehydrated) gypsum are in the preparation of building products noted for lightweight, fire-resisting, low heat conducting, soundproofing, and vermin-proofing qualities. A primary use is as a plaster for covering interior walls and ceilings of buildings.

• **New Trend**—Wartime shortage of lumber and steel speeded a trend toward laminating gypsum board and using it as roof decks, siding, and partitions without studs. Gypsum tiles and blocks are made for flooring, roofing, and fireproof covering.

Calcined gypsum is used to hold plate glass and precious stones for polishing, and metals for engraving purposes. It is employed widely as casting material in making art reproductions because it expands slightly when setting and fills the mold fully. Cast statues, ornaments, relief maps, and other scientific objects are made of gypsum plaster.

Gypsum is used as a fire-resistant filling in the hollow walls of safes and filing cabinets, for surgical casts and orthopedic bandages, in paint and toothpaste, in the manufacture of buttons, as a water conditioner, and a filler in the making of high-grade paper.

• **For Fertilizer**—Raw (uncalcined) gypsum has important uses on the agricultural front, and production for this purpose gained 63% in 1943 over 1942. As a direct fertilizer, it is a source of sulphur trioxide which is an essential food for plants such as cereals, hay, legumes, cotton, tobacco, and peanuts.

Uncalcined gypsum is employed to



Among gypsum's jobs in the war effort is the production of small but intricate molds (left) in which parts for



planes, tanks, and guns are cast, and larger types (right) that give the inside contours to self-sealing gas tanks.

retard the set of portland cement, and this use in 1937 represented 89% of the total sales of the raw gypsum. With the decline in cement production because of less highway, street, and other construction, its use for this purpose has correspondingly decreased—29% from 1942 to 1943.

Production Record—The industry has made rapid growth. In 1895, the output of crude and calcined gypsum was only 265,000 tons. By 1915, it had increased ten times. A production record was achieved in 1926, when the total amount mined and imported was 4,467,249 tons.

Domestic production and imports exceeded 5,000,000 tons in 1940, rising under the impetus of increased private building and emergency housing for selectees and defense workers.

Another Uptrend—In 1941, the total value of all gypsum products sold or leased was nearly \$70,000,000, or 30% higher than in 1940 and breaking previous records. Outstanding products were portland cement retarder, lath, wallboard, sheathing board, and tile. Crude supply in 1941 was estimated at 6,000,000 short tons, attained by increased production from domestic mines, which more than offset a small decline in imported crude gypsum.

Military construction carried the gypsum industry along fairly well through 1942, when 4,634,335 short tons of crude gypsum were mined and 3,060,026 short tons of calcined gypsum produced.

However, with civilian construction much reduced and military projects winding up, production in 1943 dropped about 15% to 3,918,559 tons of crude gypsum mined and 2,563,819 tons calcined.

FOILS WATER IN OIL

Kansas oil wells produce about six or seven barrels of salt water to every barrel of oil. And although some oil wells produce no salt water, most producers have to worry about this problem. It costs an estimated 5¢ to 10¢ a bbl. to pump salt water to the surface, where disposal is another problem.

Dr. Eugene Stephenson of the University of Kansas, who has been experimenting with a salt water control method for the last two years, told members of the American Petroleum Institute recently that his technique has been successful in Kansas wells in the Arbuckle lime, at depth of about 8,000 ft.

The Stephenson method simply pumps crude oil under high pressure into the oil-bearing formation, permeating the strata with oil to seal off the salt water.



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AAF engine intake filter for airplanes.



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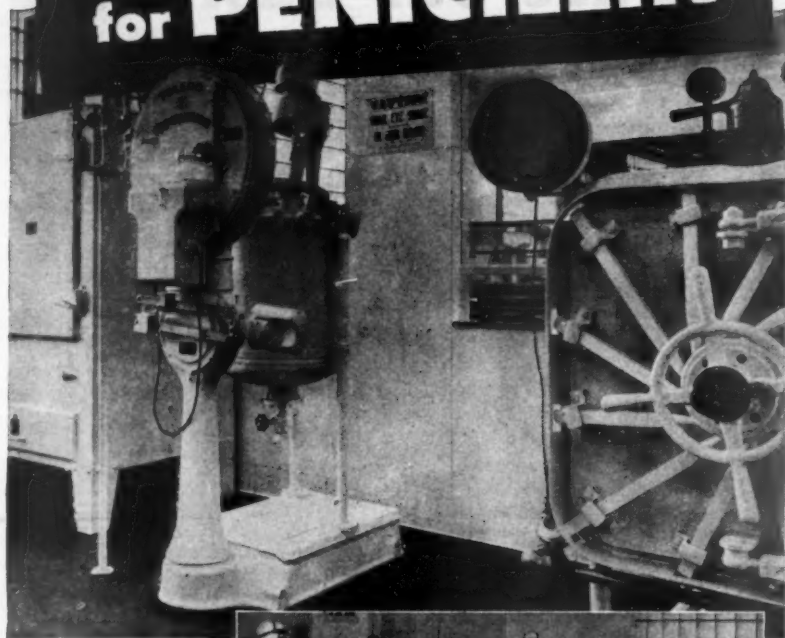
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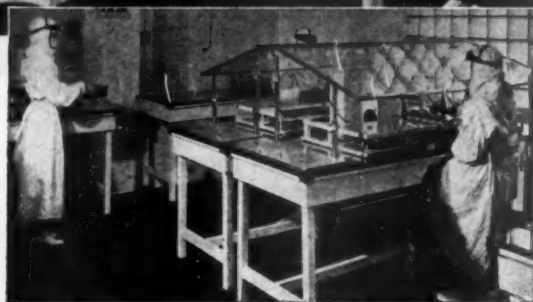
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PRINTWEIGH for PENICILLIN



Above—View taken in the newly constructed plant at Commercial Solvents Corporation, Terre Haute, Indiana, showing the room in which vials are filled with Penicillin—C.S.C.



● Penicillin—one of the greatest discoveries of modern medical science—looks to Toledo for unerring printed weight records during the long, complicated production process.

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New Vulcanizer

Mobile tire unit uses electronic heating. Operation may be compared loosely with spot welding technique.

Development of a mobile tire vulcanizing unit that does its work quickly by electronic heating was disclosed this week at the Society of Automotive Engineers transportation and maintenance meeting in Philadelphia.

● Like Spot Welding—Lt. Col. C. W. Vogt, chief of the technical supply staff, War Dept. Transportation Corps, reported that he and Eino Lakso of Fitchburg, Mass., a former associate, developed the new type vulcanizer in the Forest Products Laboratory, Madison, Wis.

The mechanism includes a press ram equipped with an electrode coupled to a high-frequency generator, and a press frame. Operation is roughly comparable to the spot welding technique of joining metal. Molds are eliminated by the use of filler material bags which conform, under pressure, to the contour of the tire being repaired.

● Takes Ten Minutes—Danger of overheating adjoining areas is said to be eliminated. Electric action, technically called radio frequency electrostatic energy, heats the vulcanizing material "rapidly and uniformly," without prolonged heat curing in a mold. Vulcanizing time is said to be ten minutes.

The new vulcanizing unit can be used on any size tire. It weighs only 500 lb. and requires only 12 sq. ft. of floor space.

Also regarded as important is the fact that no time is required for heating of molds. Heating action is instant, at the snap of a switch, and can be stopped instantly.

Col. Vogt said the vulcanizer was developed in response to a demand from front line troops for a tire repairing device that could be wheeled up easily to combat areas and could do its work in a hurry.

● Royalty Free—Initial production is all earmarked for the armed services. Col. Vogt said the Judge Advocate General, legal branch of the Army, has ruled that the development was "outside my official duties," that the government holds a royalty-free license good until six months after the war, plus unlimited use of equipment purchased during wartime.

Initially, the vulcanizer will be used for repair work only. Its sponsors expect to extend the principle to cover recapping equipment and new tire manufacture.

Phthalic Pushed

Greater military demand brings call for new facilities. Output of chemical may reach 165,000,000 lb. next year.

Production of phthalic anhydride, needed for smokeless powder, military insecticides, synthetic plastics, and dyes in increasing quantities, will be stepped up further next year if WPB's facilities committee approves recommendations made to it by the Chemicals Bureau and agreed to by the industry this week. Schedules for 1944 call for 126,000,000 lb. New facilities would boost output 12,000,000 lb. by the second quarter of 1945.

• **May Fall Short**—Including this new capacity, WPB hopes that better operating efficiency will make total output then about 165,000,000 lb. Even this is not expected to be enough.

Phthalic, based on naphthalene, now goes 25% into plasticizers for powder and plastics, 36% into alkyd resins, 8% into dyes, and 4% into miscellaneous products such as food and drugs. It is made in many plants all over the northeastern United States, especially in the great chemical valley of West Virginia, the Kanawha.

• **Military Uses**—Because insect repellents made from phthalic evaporate so slowly and are repulsive to malarial mosquitoes and other pests in several ways, the demands have soared. Bugs avoid soldiers whose clothing is sprayed with one of the three insecticides in use. Protection lasts about twelve hours, depending on conditions.

In paints and other protective coatings, phthalic alkyd resins—formerly familiar in auto enamels—create a tough film that resists weather as well as abrasion; they also coat much cellophane.

• **Would Up Output**—Substitutes are short, too. Meleic anhydride is more expensive but widely used in resins and pharmaceuticals. Dimethyl phthalate, a plasticizer, is scarce and larger production of known substitutes for it is being sought.

Union Carbide & Carbon Corp., du Pont, Monsanto, Westvaco, and many other manufacturers are cooperating with WPB in planning the new facilities. Some will borrow from the Defense Plant Corp. and accept its restrictions; others will use company funds.

• **Postwar Future**—Members of the industry agree that there will be a postwar surplus of the chemical, and some doubt that the surplus can be absorbed in house paints, vat dyes, commercial insecticides, and other civilian products.



Wings with a Wallop!

Where can you find a better all-round fighter than the Naval Air Crewman? In combat, he's a deadly machine gunner. Before and after, he's a radioman, machinist's mate, or ordnance man.

If a radioman, he's an expert on code, head-tapping, blinker, semaphore. If a "mech," he knows airplanes inside out. He knows. For he flies in the plane he works on. If an ordnance man, he knows how to keep machine guns, bombs, and torpedoes in shape to sting.

He's fighting the war every minute... the only non-commissioned Navy man permitted to wear silver wings. And, for this job, he's a volunteer.

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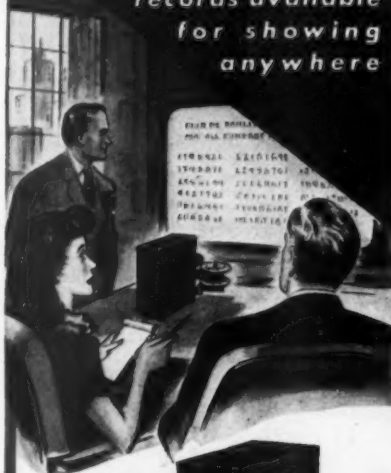
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NEW PRODUCTS

Portable Speedlamp

Not quite four years ago the Eastman Kodak Co., Rochester, N. Y., brought out the Kodatron Speedlamp which made possible stop-action, still photographs of various subjects in rapid motion (BW—Sep. 7'40, p. 52). Now it is bringing out the new Kodatron Portable Speedlamp for the government and other high priority purchasers, including official photographers at the recent Republican convention.

Unlike the original model, which weighed about 40 lb. and required an outside power supply, the new outfit consists of two comparatively lightweight parts: (1) a lighting unit to be attached to and synchronized with a camera; (2) a self-contained power unit



weighing only 18 lb. and carried by means of a shoulder strap.

Duration of the lamp's flash is said to be "about 1/5,000 of a second. . . The light output is sufficient to produce a fully timed negative of an average subject at 15 ft. with high speed film, exposed at f/11. . . This Speedlamp offers in compact, portable form a flash outfit capable of making about 200 consecutive flashes when the battery of the power unit is employed, or an indefinite number of flashes when operating with standard a.c. current."

Rust Preventives

Ensis Rust Preventive Oils in 14 grades constitute the newest development of the Shell Oil Co., Inc., 50 W. 50th St., New York 20. They are reported to form protective coatings for metal that "graduate from thin, transparent, oily films that need not be removed before use to heavy, abrasion-

resistant coatings able to withstand the damaging effects of moisture over extended periods of time.

"One of the most important of the new products will dissolve finger prints, displace water, and afford long-range protection against high humidity conditioning during storage. Another, heavier, extremely powerful preservative is designed for use on packaged precision parts or for unpacked equipment. All of the new preservatives are much easier

THINGS TO COME

Postwar packaging of the highest type will aim at three primary objectives: (1) transporting the product safely from the manufacturer to the ultimate consumer; (2) helping the dealer to move the product as automatically as possible at point of sale; (3) protecting the customer, the dealer, and the manufacturer against counterfeiting and substitution.

The first two objectives are already being attained through improved package design and the deft use of printer's ink. The third promises to be attained, at least in part, by new and wider uses of "fraud-proof" label paper. In each sheet of it there are concealed markings that become visible when the paper is held to the light or moistened and rubbed lightly with the fingers.

New economies in the preparation of fruits and vegetables for canning, quick freezing, dehydrating, or immediate eating will result from a new process of "explosion" peeling. Food manufacturers will use steam retorts which can be quickly heated and pressurized, and just as quickly chilled to produce a partial vacuum and burst skins asunder. Housewives will use pressure cookers specially equipped for the successive heat, pressure, chill, and vacuum operations.

Peeling losses for potatoes will drop almost a half—for apples, considerably more than that. Shelling lima beans by explosion will be ten times faster than hand shelling. Besides all that, the heating part of the sequence will destroy enzymes and microorganisms that interfere with the flavors and keeping qualities of foods.

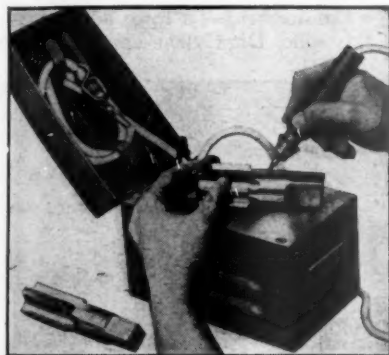
of application and removal than the old-style semisolid compounds, used for years in the packaging of rifles and arms parts." Several of them are especially formulated to combat the corrosive effects of salt air and salt spray, tropical rains, or subarctic blizzards.

Block-Out Ink

Re-use of old shipping cartons promises to be facilitated by a new Sand Color (carton color) Block-Out Ink for so obliterating old markings that the containers can be "restenciled in a clear, clean, easily read marking." The Diagraph-Bradley Stencil Machine Corp., 3745 Forest Park Blvd., St. Louis 8, formulates the heavy-bodied liquid which is said to dry "almost instantly" after application with a brush, like so much paint. It also can be used for obliterating old markings on wooden boxes and crates.

Portable Metal Etcher

Newest addition to the electrical etching line of the Ideal Commutator



Dresser Co., 1648 Park Ave., Sycamore, Ill., is the Ideal "Tool Room" Metal Etcher which is housed in a portable 74x54x84-in. case and weighs only 16 lb. Its purpose is adding identification numbers, sizes, or the name of the owner to tools, gages, dies, punches, jigs, fixtures—"anything made of iron, steel or its alloys." Any mark is said to be "burned right into the surface so that it cannot be worn off through ordinary usage."

Small parts are laid on an inbuilt, renewable work plate for grounding during etching with the hand tool that is furnished; parts too large for the plate are put into the circuit by means of a ground clamp. Depth of mark is controlled by the etching heat and the speed of writing. Four such heats, from 120 watts to 700 watts, are available through a four position switch. Standard equipment includes a flexible cable for connection to an a.c. power line.

Don't Blame it ALL on Overwork...



Get rid of the noise demons — and notice the difference

SURE, EVERYBODY is carrying a bigger load these days—it can't be helped. But it seems twice as heavy when nerves get frayed, and tempers short, from the unceasing din of the noise demons. Work takes longer, piles up. That's why it will pay you to put an end to these saboteurs of efficiency—once and for all—with


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Cushiontone absorbs up to 100% of all noise that reaches the ceiling—thanks to the 484 deep holes in each 12" x 12" unit. And not even repainting impairs this high efficiency. Armstrong's Cushiontone is quickly installed, is easy to maintain, and is an excellent reflector of light.

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Code Revitalized

Proprietary drug group sets up voluntary censorship code for advertising copy and program for enforcement.

After spending a lifetime battling government regulation of proprietary (secret, nonpatented formula) drug advertising and claims, leaders of the Proprietary Assn., the industry's trade association, are trying to execute a two-point program of voluntary self-censorship.

● **Expulsion Threatened**—The program involves:

(1) Control of its members' advertising via a code administered by the Washington office, and backed by threat of expulsion from membership for frequent violations.

(2) Control of nonmember advertising via codes which proprietary leaders will urge radio stations, newspapers, and magazines to adopt.

● **Code Since 1934**—Back in 1934, the association adopted a code of advertising ethics and established an advisory committee on advertising to superintend the copy checking activities of its Washington office (BW—Aug. 25 '34, p18).

Power to read and comment on all copy submitted to the Washington office by members and media was lodged in Dr. Frederick J. Cullen, who had shortly before shifted from the Drug Division of the Food & Drug Administration to the association.

● **Trouble-Shooter**—During the intervening decade, Dr. Cullen's copy-checking activities have been primarily devoted to keeping members out of trouble with government regulatory agencies, principally the Federal Trade Commission.

His comments consisted of telling members whether current FTC trends would mean regulatory action if this or that claim were made.

● **Up to Advertiser**—Final judgment as to whether a questionable claim would be made was left to the advertiser. Such trouble-making claims were of two types:

(1) Those in which the ad was clearly at fault.

(2) Those in which the ad violated a federal regulation, but where the regulation—in the opinion of the trade—rather than the ad was fault.

● **Regulation Denounced**—In regard to the first type, advertisers who followed

Dr. Cullen's comments found that they seldom ran into trouble; those who ignored his advice almost invariably ended up with FTC complaints or stipulations.

As to the second type, Dr. Cullen frequently would couple his comments with the suggestion that the advertiser stiffen his backbone, collect scientific data to support his position, and go to the mat with FTC. In addition, his association bulletins, convention speeches, and other public statements to the trade press denounced the regulatory policy in question and counseled the industry to fight back.

● **Code Revitalized**—At its recent convention, the association revived and revitalized its 1934 code which now calls for "truth in advertising," and bans:

(1) Use of double-meaning words.

(2) Sequences of sentences or paragraphs that leave untrue connotations or implications.

(3) Illustrations that exaggerate or distort size, appearance, effect, or usage of a product.

(4) Testimonials that are not honestly obtained from, and authorized by, bona fide users and which contain statements contrary

to the results which can reasonably be expected from use of the product.

(5) Unfair, derogatory reflections on other products.

(6) Use of guarantee or money-refund offers to imply that a cure is guaranteed.

(7) Statements which create fear or apprehension that the reader or hearer is suffering, or is likely to suffer, a serious ailment.

(8) Claims that a product will prevent, cure, or relieve serious diseases that require treatment by doctors.

(9) Statements referring to doctors, hospitals, or nurses unless the representations can be verified by independent evidence.

(10) Prize advertising and similar devices to stimulate unnecessary purchase and use of medicines.

(11) Statements which are in conflict with the misbranding provisions of the food, drug, and cosmetic act.

● **Claims Limited**—In addition, the code provides that the "proprietary article must be of such character as may reasonably be expected to bring about the results for which it is recommended."

The code also stipulates that products "must not be advertised or recommended as a cure for diseases or conditions which are generally recognized as incurable by the use of a proprietary article."

● **Enforcement**—To force adherence to this code, Dr. Cullen—apparently with



UNTAKEN TRIPS

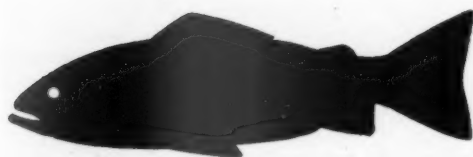
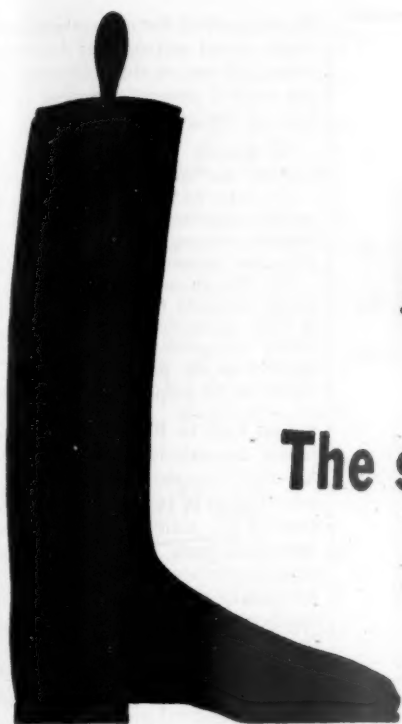
Travelers who make train reservations and then change their minds keep cancellation clerks busy at Grand Central Terminal. On the table are 20,155 slips for accommodations ordered but unused on 33 New York Central

runs during May alone. These transactions represent 3,341 man-hours of work for short-handed offices, excess overhead for management. Because of the manpower shortage and in view of heavy vacation travel, the line has stopped taking telephone reservations for its Empire State Express.

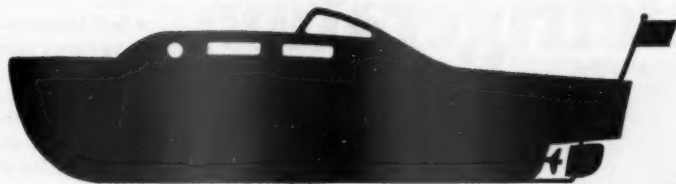
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1944



The shape of things to come



WE'LL spend the week-end on far-off beaches and on the remotest wooded hills.

There'll be better balls to hook and slice on the fairways and better shells for better bird guns. And boats and fishing tackle and camping equipment and better ways of getting to our favorite lake or pool.

We can dream of these things, as we fight and work to have them again. Only we've learned to temper fancies with reality and to expect no miracles immediately the war ends. It is reasonable that war-busy

industry will need time to take a deep breath before it turns to peaceful pursuits and improves on the familiar things of yesterday.

Industry, in turn, will want to tell about its new plans and reacquaint us with many things that were abandoned as a wartime necessity. The large centers of population, such as Philadelphia, offer the surest way of focusing widespread attention and building sales. Philadelphia is especially accessible, for nearly 4 out of 5 of its families are reached by one newspaper.

That newspaper is The Philadelphia Evening Bulletin. It is a home newspaper in this city of homes. It maintains high editorial prestige, in spite of the many wartime handicaps. It has been for 39 consecutive years—and continues to be—Philadelphia's leading newspaper.



**IN PHILADELPHIA —
NEARLY EVERYBODY
READS THE BULLETIN**

Buy more War Stamps from your newspaper boy



Out of our war effort are coming new developments that in time will be increasingly evident in NEENAH'S well-known rag content papers. Always outstanding values, they will be further improved when the full results of our research can be made available to our commercial customers.

NEENAH

FINE RAG PAPERS FOR EVERY BUSINESS NEED



NEENAH PAPER COMPANY • NEENAH, WIS.

FRICK **Refrigeration**

In locker plants everywhere — including the world's largest, at Oklahoma City, here shown — provides the steady low temperatures that mean the safe storage of food. You can profit by our 62 years' experience in food storage work; find out now what Frick Refrigeration, Frick Freezers, and Frick-Knickerbocker Lockers can do for you. Bulletin 145 gives the whole story on just how satisfactory and dependable they are. Write your nearest Frick Office or Distributor.

FRICK COMPANY
WAYNESBORO
PENNA.

the support of the association leadership — has served notice that he intends to make full use of the following advertising control powers provided in the laws of the group:

- (1) Receive complaints against both member and nonmember advertisers.
- (2) Refer to the executive committee for possible expulsion all cases of members "persistently refusing or neglecting to act suitably upon recommendations or suggestions."
- (3) "Use any other lawful and appropriate means available to further the elimination of false claims and implications, bad taste, unfair competition, and other practices inimical to the public interest and the integrity of the proprietary articles industry."

● **Can Call in FTC**—The last grant of power apparently means that Dr. Cullen can complain to FTC about the advertising of nonmembers. However, since FTC action usually is very slow and uncertain, proprietary leaders are planning to urge advertising media codes to maintain an equal competitive footing between members and nonmembers in regard to claims.

Proprietary leaders have not yet approached advertising media on the question of collateral proprietary drug codes and they frankly admit that they may get a cool reception at first. However, the National Assn. of Broadcasters co-operated with the association in presenting a clean-advertising forum at the recent convention, and sponsors of the code plan believe that the proprietary industry commands sufficient power over media to force ultimate adoption of codes.

● **Self-Interest**—While Washington always views industry codes and plans for self-regulation with a considerable degree of skepticism, informed circles recognize that the proprietary code idea is grounded in self-interest.

Dr. Cullen described the plan—expulsion of members and all other points—to members of the association as "seeking to serve the proprietary industry with such a degree of enlightened self-interest that it recognizes the necessity of protecting the public first, because only by doing so can it protect the manufacturers from unwise or short-sighted action which may reflect discredit upon the entire industry, damage its interests and even in the course of time threaten to destroy it."

● **Prepare for Showdown**—It is apparent that the Proprietary Assn.'s action is designed to get ready for the day when the industry goes to Congress in an effort to restrict current activities of FTC and to get a clear line of demarcation drawn between FTC's jurisdiction over advertising and the Food & Drug Administration's control over labeling.

The association's general counsel

James F. Hoge, has publicly served notice that the industry eventually will have to fight to secure broader court review of FTC's orders.

• **Public Relations**—In addition to the code, the Proprietary Assn. has embarked on a broad public relations program.

Part of this program is an effort to eliminate use of the phrase "patent medicine" from the nation's vocabulary. Dr. Cullen has issued a booklet pointing out that "patent medicine" is a carry-over from the dead past and actually is incorrect because few, if any, packaged medicines are protected by patents. He favors the use of "proprietary medicines."

Menu Control

National regulation of restaurant prices by OPA to begin July 31. Three basic rules may quiet labor protests.

Beginning July 31, restaurant price control will blanket the country. Scattered areas—a large part of New England and sections of Oklahoma, Kansas, and Louisiana—which have been exempt will come under ceilings.

More important to the average restaurateur, control will be under a single, national regulation. Up to now, controls have been handled in the Office of Price Administration's regional and district offices, and have varied widely, area by area, and even city by city. The new restaurant order picks up what OPA considers the best points of the various local plans.

• **Three National Requirements**—These are the most important features of the regulation:

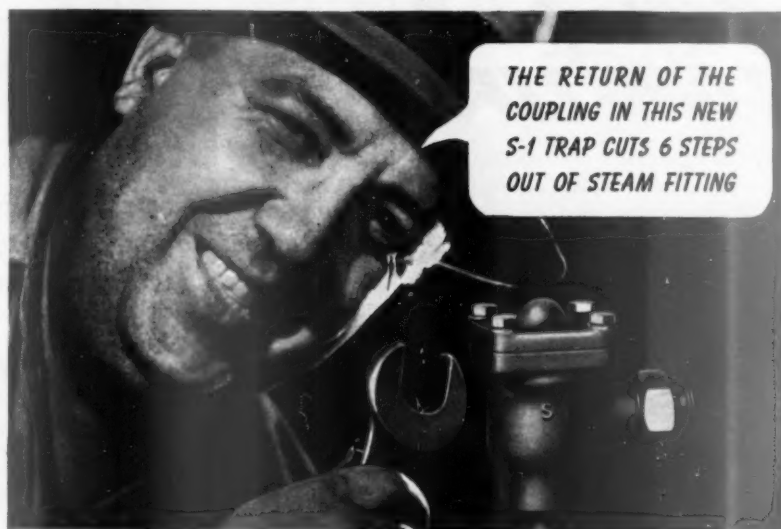
(1) Restaurants will be required to post their Apr. 4 to Apr. 10, 1943, ceiling prices for a list of 40 basic menu items. Posting provisions are the teeth of the order, because they will enable price panel assistants to check up easily on restaurants, just as they do on food stores.

(2) Hot coffee, including sugar and cream, is put under a ceiling of 5¢ a cup for all eating places which did not charge more than that figure during the prearranging week of Oct. 4 to Oct. 19, 1942.

(3) Increases in quantity, improvement in quality, or substitution of minor dishes and ingredients will not be grounds for increasing prices above base period levels.

• **May Pare Prices**—Dollar-and-cents ceiling controls will continue in effect in San Francisco, St. Charles, Mo., Lit-

NOW A TRANE TRAP WITH PRE-WAR FEATURES!



YESTERDAY... 10 STEPS. When materials were shorter than manpower, Uncle Sam required a radiator trap that took 10 different steps to install—1. Screw the trap on the return piping. 2. Then secure the special right and left hand threaded pipe nipples. 3. Screw the right hand thread into the heater, counting every turn; then unscrew again. 4. Screw the left hand thread into the trap, again counting every turn. 5. Screw the nipple into the heater or trap (whichever took most turns in steps 3 and 4 above) and leave an equal number of threads at either end. 6. Pray that trap and heater were lined up so fittings engage easily. 7. Grab nipple with wrench and tighten, hoping that threads in both trap and heater will become tight at same time. 8. Try to connect a line-up like this in one straight line. 9. Try the whole procedure over two or three times in an attempt to align an almost impossible arrangement. 10. Cuss Tojo and Hitler for making such time-consuming operations necessary.

TODAY... 4 STEPS. Now that a radiator trap with brass inlet coupling is permitted, it takes less than half the time to install the new Trane S-1 Trap. All the steamfitter has to do is: 1. Screw the trap on the return riser. 2. Next, simply screw the coupling into the heater. 3. Screw the coupling on to the trap. 4. Tighten the coupling and, presto, the job is done.

PRE-WAR FEATURES... In addition to the manpower saving coupling, the Trane S-1 Trap has plenty of pre-war features such as—the same carefully constructed bellows used in the Pre-War Trane Trap, instead of less efficient wartime diaphragms, usually found in other traps... the same sensitivity of the Pre-War Trane Trap which makes it possible for the convector or radiator to heat to full capacity. This means fuel saving... Parts that are interchangeable with the Pre-War Trane Trap and that will be interchangeable with the Post-War Trane Trap... Plus a War Feature that is found in few other traps, all of which must use cast-iron bodies. The cover of the Trane Trap is attached by a gasket-bolt arrangement instead of the usual screw top. No chance that rust will make maintenance impossible by sealing up screw type cover. Trane S-1 Traps complying to government limitation orders and incorporating pre-war Trap features are available for all repair jobs and for all permitted new construction. They can be shipped from stock now.

TRANE

AIR

THE TRANE COMPANY • LA CROSSE, WISCONSIN
TRANE COMPANY OF CANADA, LTD., TORONTO
AIR CONDITIONING • HEAT TRANSFER • AIR HANDLING EQUIPMENT



Yours for a LONG LIFE

The "life expectancy" of a valve naturally depends to a great degree upon the quality of its engineering and workmanship. POWELL's ninety-eight years of technical achievement and practical experience in making valves—and valves only—is your warranty of such quality.

But even the best valves, if used in services for which they were not specifically designed, will fall far short of their normal life expectancies. To avoid such unnecessary mortality, POWELL Engineering is always at your service to see that you get the correct valves for your requirements.

The Wm. Powell Co.

**Dependable Valves Since 1846
Cincinnati 22, Ohio**



Fig. 1793—Large size Iron Body Bronze Mounted Gate Valve for 125 pounds W. S. P. Has flanged ends, outside screw raising stem, bolted flanged yoke and taper wedge solid disc. Sizes, 2" to 30", inclusive.

POWELL VALVES

tle Rock, Ark., and Muskogee, Okla. (BW—Apr. 15 '44, p102), and as long as they are used, restaurants in these cities will not need to comply with posting provisions.

OPA hopes that these new, tighter controls will at least partially silence labor unions' complaints that the price of eating out, which is not included in the cost-of-living index, is a great deal higher than it ought to be.

Dealer Licensing

National automobile group asks members to study 25 state laws now in effect, to ponder value of uniform regulations.

Automobile dealers—with little to sell except service and used cars—have plenty of time on their hands. The National Automobile Dealers Assn. has asked its members to put the time to good use by making a study of state dealer licensing laws.

• **To Weigh Values**—The question is: What is the value of a uniform licensing law? Do dealers consider the policing of newcomers and competitors to be of sufficient importance to be willing to place themselves under the same regulations?

Answers will be determined in part as the dealers study the results of the dealer license laws now operating in 25 states. There is a wide variation in the regulations—from Colorado's innocuous rules (pay a license fee, then don't go too far out of line) to the rigid controls in Wisconsin (including tight supervision over dealers, their trade practices, and the manufacturers who supply them).

Latest adherent of licensing is Virginia. Gov. Colgate Darden approved the measure Apr. 4 after the Automotive Trade Assn. of Virginia had refused to withdraw its support of the bill despite requests from officers of leading manufacturers. Many Virginia dealers had asked the governor to veto the bill, but subsequently wired him to disregard their request.

• **What They Seek**—The chief objectives of dealer licensing are (1) to guarantee financial responsibility and moral character, (2) to eliminate abuses of fly-by-night traders, (3) to assure ethical advertising and business practices, (4) to restrain excessive allowances on trade-ins, and (5) to provide possible relief from factory coercion.

The large problem involved is whether dealers generally want to bind themselves as tightly as in states like Wisconsin, where the Automotive

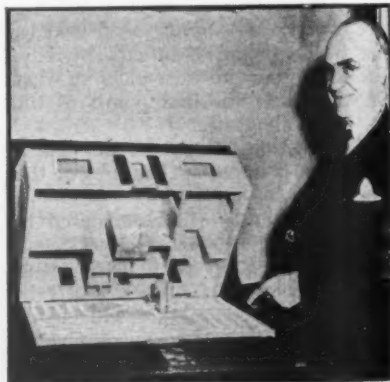
Trade Assn. wrote a really hard-boiled regulatory bill in 1937.

New and used car dealers, salesmen, and auto manufacturers are licensed in Wisconsin. Proof of unfitness or bad business repute, misstatements in filing information (even on federal income tax returns), or "unconscionable practices" may cause revocation of the license.

• **Stiff Regulations**—Manufacturers cannot coerce dealers, under pain of franchise cancellation. The act also protects retail purchasers, especially time buyers. Should any of a number of rules be violated by the dealer, he cannot recover time or interest charges, or the principal sum involved, in extreme cases.

Iowa tries indirectly to protect dealers from unjustified franchise cancellations by providing that a dealer cannot obtain a franchise for an automobile if its manufacturer, in the same county within the preceding 90 days, has canceled out another dealer without reasonable cause.

• **Standards Stressed**—Ohio lays emphasis on standards for dealers and salesmen. A dealer must file with the state a copy of his factory contract. He must have an established place of business, be solvent, and have a good business reputation. A proviso that fees can be paid only to licensed salesmen protects them from "bird dogs"—private tipsters who reap commissions in other states for advising dealers where sales can be made. In Virginia's new law, salesmen



FLASHY MODEL

L. F. Rains, president of Pittsburgh's A. M. Byers Co., inspects one of the new "doll houses" used by his firm to demonstrate radiant heating. In this dramatic demonstrator for postwar sales, glass tubing is imbedded in a transparent floor to simulate the installation of hot-water coils. And to clinch the sales talk, the tubing lights up at the flick of a switch.

can do business only for the dealer to which they are attached.

Nebraska goes further by making fair trade practices mandatory. Dealers must advertise ethically and cannot discriminate between purchasers of similar commodities. Excessive allowances on trade-ins are forbidden if their objective is to reduce competition or destroy a competitor's business, and surveys can be made by the state to determine what is excessive.

● **Coercion Is Hit**—Rhode Island and Florida license manufacturers and their representatives, but not the retail outlets. Both acts, dealer-backed, provide for license suspension if the producer coerces a dealer into accepting deliveries of stock, or into making an agreement.

Dealers have leaned on city ordinances to protect used car marketing.

Some N.A.D.A. leaders believe this may be the most effective form of policing secondhand lots.

Flint, Mich., has what is widely considered the most successful ordinance of this sort. Used car dealers as well as new car dealers must be licensed by the city. Auctions are forbidden unless the dealer has been in business six months or more; property must be maintained in good order; and insurance is specified. Jacksonville, Fla., and Los Angeles also have notable ordinances regulating used car sellers.

● **How They Differ**—Many characteristics of the 25 licensing laws are identical, but there are interesting exceptions. Florida, Iowa, Ohio, Rhode Island, and Wisconsin require financial statements from applicants for licenses; character affidavits are necessary in



FUTURE'S PEEPSHOW

Regular Sunday night glimpses of tomorrow's design for living are being viewed by television audiences around New York City. Sponsored by Durez Plastics & Chemicals, Inc., the half-hour shows—laying emphasis on the use of plastics—are introducing the front ranks of industrial designers and their pet postwar creations against a background of good music and singing stars. Scheduled for a run of 26 weeks over Dumont's WABD, the program thus far has featured designers Harold Van Doren (above-center), Walter Dorwin Teague (left), Brooks Stevens, Carl Sundberg, and Montgomery Ferar who highlight their talks with models and films.

YESTERDAY'S WASTE IS Conserved TODAY

Smaller undercuts and shorter stumps are adding extra board feet to every tree felled with a MALL Chain Saw.

This powerful, high speed saw is 4 times faster than a hand operated cross cut, is easy to handle in heavy undergrowth, and can be operated successfully by inexperienced laborers after a few minutes instruction.

The razor-edged cutting chain is driven by an easy starting 2-stroke cycle design gasoline engine equipped with a stall-proof clutch and handle throttle. Safety guard assures full protection. Gasoline Engine, Electric and Pneumatic sharpeners are available for sharpening chain in shop or field. Also Pneumatic models with 24", 36" and 48" capacities.

Whether your problem is felling trees, cutting and topping piles or squaring heavy timbers to size, MALL Chain Saws offer economies heretofore believed impossible. Write at once for descriptive literature. Demonstrations can be arranged.

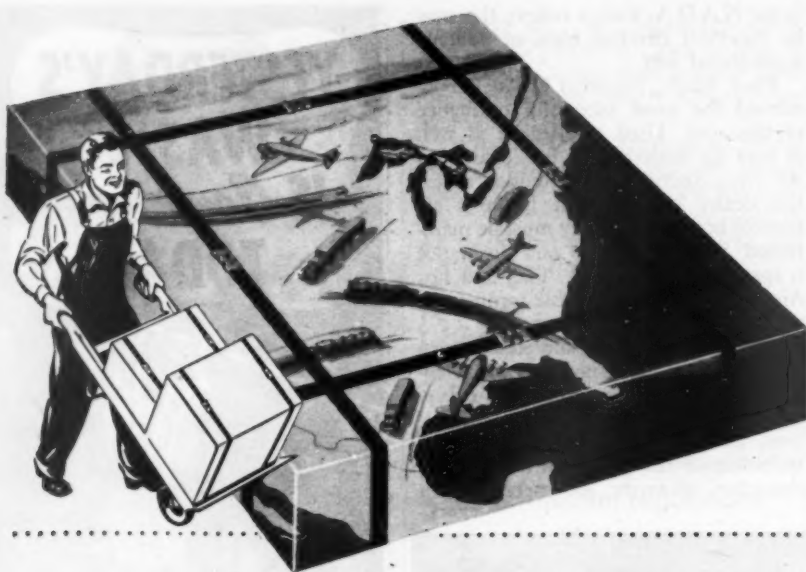
MALL TOOL COMPANY



7768 South Chicago Avenue
Chicago 19, Illinois
Offices in Principal Cities

Mall
REG. U.S. PAT. OFF.

**PORTABLE
POWER
TOOLS**



MANUFACTURING PERFECTION NEEDS STEELSTRAP PROTECTION . . .

The Acme Seal on shipping packs is a "Seal of Good Will." It marks a manufacturer who wants no "slips" when he ships . . . wants to be sure his product is "Bound to Get There" . . . whether it travels by land, by sea or by air. He realizes that "*Manufacturing Perfection Needs Steelstrap Protection.*"

—And that protection pays in many ways . . . in shipping economies . . . saving in freight, reduction of pilferage and damage claims.—That's why the more a manufacturer values his reputation, the more certain he is to be sure his products are "Bound to Get There" with Acme Steelstrap.



DOC. STEELSTRAP is represented by Acme engineers—men whose business is the reinforcement of shipping packs—from single containers to car loads of freight.

Today, on every fighting front, there is evidence of Doc's skill—on cases, cartons and crates, on bales and on skid loads—on materiel and supplies from Army and Navy

depots, from arsenals and from war industry. Strap has a full-time war assignment, part of a job that Uncle Sam calls "pack it right to reach the fight." . . . It's the same job that we have always called making shipments "Bound to Get There."

When his war work is finished, Doc. will be ready to discuss the possibilities of steel strapping reinforcements for your post-war business.

ACME STEEL CO.
CHICAGO

ACME STEEL COMPANY

2828 ARCHER AVENUE, CHICAGO 8, ILLINOIS

Arizona, Florida, Montana, and Oregon.

Motor vehicle departments supervise the acts in eleven states, the secretary of state in five, and the highway department in four. These agencies all have powers of license suspension, but only eight can hold hearings, with subpoenaed witnesses if necessary; five of them can inspect books and records; while three—those in Arizona, Oregon, and Wisconsin—can require performance bonds.

Fraudulent sales are grounds for license suspension in Connecticut, Iowa, Michigan, Nebraska, Ohio, and Wisconsin. Misleading advertising can terminate a license in Nebraska.

• **Some High Penalties**—All states having license laws except Arizona provide for fines in event of violation, ranging up to \$10,000. Imprisonment can be the penalty in 17 states. Injunction action is legalized only in Iowa.

At its 1945 convention, N.A.D.A. expects its members to report their well-considered opinion of dealer regulation.

Sears Offers Art

Reproductions of famous American paintings introduced by mail-order house in catalog for fall and winter.

A pastoral scene on the cover of Sears, Roebuck & Co.'s fall and winter catalog, off the press last week, introduces a new line—reproductions of oil paintings.

• **Inness Art Used**—A harvest painting—"Peace and Plenty," by George Inness—is reproduced with a credit line to the Metropolitan Museum of Art, of New York. A larger copy, printed on rough coated paper, textured like canvas, to reproduce the colors of the oil painting, is sold to Sears customers at the price of the frame—\$1.49.

Twelve other similarly printed reproductions of famous American oil paintings are priced in four brackets, ranging from \$4.79 to \$19.50 for each picture, the charge being determined by the size, the artist, and popularity of the subject. This is the first time that such merchandise has been offered since Sears, some years ago, sold a reproduction of a painting of George Washington.

• **Smaller Catalog**—A year ago, Sears added a cultural line by organizing the People's Book Club for the mass merchandising of literature by having club members participate in the selection of the monthly book (BW—Jun. 26 '43, p. 86). The new catalog uses four colored pages to advertise the book club.

Reflecting the war economy of paper shortage, and unavailable lines of goods,

the fall-winter catalog has 1,026 pages compared with 1,228 pages a year ago, and the weight of the book has dropped from 71.2 oz. to 60 oz. Only straight roto or one- and two-color roto pages, instead of the three- and four-color roto pictures of other seasons, are used to save heavier-weight paper and manpower.

• 200 Items Unavailable—As in the catalogs of the previous four seasons, a page in the latest book lists more than 200 items that are unavailable because of war conditions.

These include principally hardware items, electrical appliances, and sporting goods. Fertilizers and farm machinery supplies have been somewhat enlarged, however. While the offering of cotton goods remains skimpy, wearing apparel pages offer more in rayons and there is no shortage of woollens.

As a service to their customers, Sears devotes one page of the catalog to explaining how dependents of soldiers can obtain funds and benefits due them from the government.

Another page advises customers to get in touch with their county agents for information on how to cut wood to be shipped to the nearest mills to relieve the paper shortage.

P. S.

Item No. 1 on General Food's agenda for postwar expansion is a program designed to double sales of its Birds Eye Frosted Foods division. Recent acquisition of the Snider Packing Co. gives the company control of a substantial supply of fruits and vegetables. Meat, poultry, and fish supplies will also be increased; new products, mostly prepared dishes, will be added; and the number of retail outlets, now more than 22,000, will be more than doubled. . . . U. S. advertising agencies congratulate themselves on faring better than those in England where only 280 of some 500 agencies have survived the war. . . . The Federal Communications Commission has granted American Telephone & Telegraph its application for ultrahigh-frequency assignments to experiment in relaying telegraph and telephone communications, frequency modulation, facsimile, and television. The twelve bands range from 11 to 23 megacycles in width, are scattered in the spectrum from 1,914,040 to 12,511,250 kilocycles—the highest frequencies ever authorized. (In prewar days, anything over 200,000 kc. was regarded as beyond the realm of practical use.) . . . General Electric has applied to FCC for license to build and operate two satellite stations of 1-kw. power to supplement a 50-kw. FM and television station, obviously for relay use.



FRIDEN FULLY AUTOMATIC CALCULATOR

A precision made calculating instrument so completely automatic that all mental and physical effort is eliminated from its operation. These fully automatic calculators are the solution of the problem created by critical shortage of competent clerical help. Today, FRIDEN CALCULATORS are AVAILABLE, when applications to obtain deliveries have been approved by the War Production Board. Telephone or write to your local Friden Representative for complete information.

FRIDEN Mechanical and Instructional Service is available in approximately 250 Company controlled Sales Agencies throughout the United States and Canada.

FRIDEN CALCULATING MACHINE CO., INC.
EXECUTIVE OFFICES AND PLANT • SAN LEANDRO, CALIFORNIA, U. S. A.

Hit the top in OFFICE EFFICIENCY and OUTPUT with this new plan of office management

This sound manual shows how through functional equipment, unitized operations, better environment and workable standards, vastly improved office facilities may be established and the office operator aided in doing more and better work. Illustrated with text, diagrams and case histories, the "Stricker Plan" brings forward an entirely new, tested method, revolutionary in its simplicity, for doing the many paper work jobs.

Seven Steps Toward Simplified Office Procedures

By A. H. STRICKER

Management Consultant to the House Civil Service Investigating Committee, Washington, D. C.; Formerly Manager Statistical Department, General Electric Company, Nela Park

150 pages, 5 x 7 1/2, 23 illustrations, 7 tables, \$1.75

Even though your office is operating on a relatively efficient basis, the application of the plan outlined in this book can save an average of one-third of the paper used and permit the reassignment of as much as 25 percent of clerical time.

MCGRAW-HILL EXAMINATION COUPON

SEE
IT
10
DAYS

McGraw-Hill Book Co., 330 W. 42nd St., N. Y. C. 18
Send me Stricker's SEVEN STEPS TOWARD SIMPLIFIED OFFICE PROCEDURES for 10 days' examination on approval. In 10 days I will send \$1.75 plus few cents postage, or return book postpaid. (Postage paid on cash orders.)

Name
Address
City and State
Position
Company RW-7-8-44

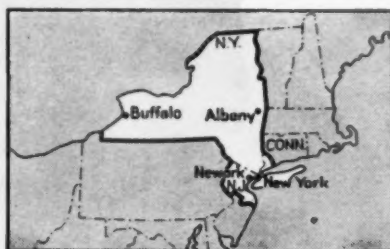


THE REGIONAL MARKET OUTLOOK—

A summary of industrial, agricultural, and other trends affecting the income and general business prospects in the twelve Federal Reserve districts of the nation for most recent month. (Last month's report: BW—Jun. 10 '44, p. 84.)

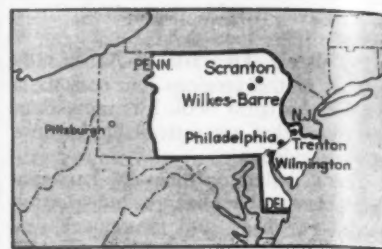


● **Boston**—Income payments in this district, having consistently failed to rise as fast as the national average, now are falling faster. Here, where industry bulks large, the payroll downtrend is sharper—to below 1943 levels—and the farm upswing is slighter. Main reason is that manpower limits were reached earlier, so shrinkage started sooner in this industrialized region. Cutbacks have been small—recently in Maine boatbuilding, and in machine guns at Hartford and New Haven, which badly need labor anyway. The trend is opposite at Lowell, which has new contracts, and at Springfield, Vt., and Concord, N. H. Incidentally, hardware, appliance, business machine, and other industries in Connecticut and western Massachusetts well suited to reconversion will be hampered by the acute labor stringency there. Farm receipts have been laggard, but crops are shaping up well, and last month's rains restored pasturage.



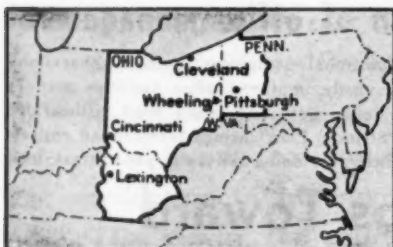
● **New York**—This metropolis has done better over the past year than the rest of the district—after lagging in earlier war-boom years. Factory payrolls are still above 1943 in the “big city,” whereas lower labor demands have cut them at Long Island plants, labor shortage has reduced them at Buffalo, and both causes have cut income elsewhere. Other activities are up here, too; Atlantic exports rose swiftly in recent months, and though the war peak has been about hit, shipments to the Far East will rise after Germany falls. In most of the district, war needs are still steady, with minor machine gun cutbacks at Buffalo, Utica, and Syracuse being offset by step-ups in shells at Harrison and in landing craft at Perth Amboy, N. J.

Farm receipts are trailing national gains over 1943, but good hay, fruit, and pasture growth should later be reflected in more favorable returns.



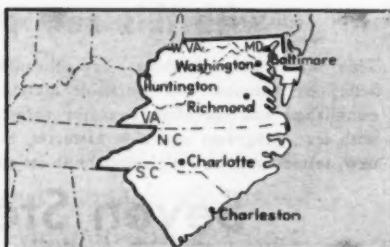
● **Philadelphia**—New war needs outweigh cutbacks here. Berwick plants will soon start rehabilitating Army tanks, and locomotive works here may get new tank production orders; Allentown, Ardmore, and Chester factories have to step up heavy truck output; and a local radio maker must boost fuse production. Meantime, new shell contracts are apt to be let—for one thing, perhaps replacing Budd's canceled cargo plane contract, just as new Navy work cushioned the Brewster cutback at Johnsville. Wilmington shipbuilding also may be in for a lift, and double-paid vacation work will help hard-coal area payrolls.

For a change this year, district farm receipts are showing large gains over a year ago, matching the national average. South Jersey is now marketing food truck crops. Prospects for harvests now are excellent in general, much improved over 1943; pastureage is excellent, too.



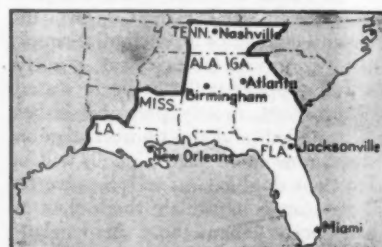
● **Cleveland**—Most centers here already are operating under the new manpower controls just made national, and, partly as cause and partly as effect, factory job rosters have not eased off as much as elsewhere over the past six months. Minor plant expansions are under way at Dover, Warren, and Newton Falls, Ohio, Meadville and Erie, Pa., but the big bolster to business is the gun-shell program, on top of heavy plane work; also, tool orders have perked up, and steel and coal activity is up to manpower capacity. Payrolls are apt to come through reconversion better than in most arms regions because of the heavy goods needed after the war—steel appliances, auto parts, basic machinery.

Farm receipts are up about average over 1943, and crops are in good shape, particularly truck gardens. However, lack of rain is beginning to hurt tobacco and potatoes in the district's southwest.



● **Richmond**—Crop weather this year is better than last, with conditions generally good, except along the coast and in a few central sections, which are suffering from dry spells. Gains in farm income over 1943 are about average so far. But South Carolina is outstanding now, both as to income and weather improvement. Pasture mostly is in good shape, and milk and egg returns high. But the spring farm delay has aggravated the labor shortage by piling up planting, cultivating, and harvesting.

Labor shortages for ships, rayon, radar, and other war goods are still acute—65,000 being needed for Hampton Roads, Richmond, and other Virginia areas alone, and other thousands for Charleston, S. C., and New Bern, N. C. Labor for textiles and lumber is still shrinking. All in all, factory jobs are down more from 1943 than the national average, except in West Virginia, with its expanding chemical centers.



● **Atlanta**—War work is still lifting income here, and factory jobs, contrary to the nation at large, are up from late 1943 in all states but Alabama and Tennessee. One reason is that war output in small plants is still rising—faster than elsewhere. So labor supply is still a worsening problem—particularly now at Savannah. The other major industrial development is the boom in leasing and drilling for oil all through the region. Movement of soldiers overseas is still cutting trade at training camp towns. Research continues into the use of sweet potatoes, and now peanut hay, as livestock feed. (Corn yields are too low here, and a substitute might permit new animal industries.)

Meanwhile, farm receipts are chalking up wider than average gains over 1943. It is too early to tell about cotton prospects, but fruits and vegetables are bringing good returns. However, the whole district is too dry now, particularly pastures.

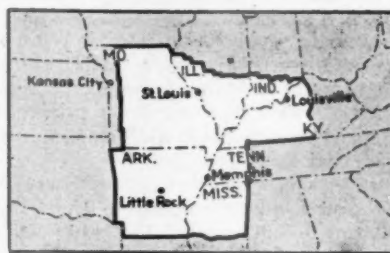
-A GUIDE TO INCOME TRENDS

With factory payrolls starting to dip below year-ago levels, and farm income still running above 1943, regional income emphasis is shifting. However, war work is still mounting in some areas, particularly to meet postinvasion needs.



● **Chicago**—Employment is still slipping in the district's major, and most of its minor, armament centers—though war job needs are up at and near Rock Island, Madison, and Danville. This matches national trends. As a result, shortages remain acute in Chicago and Detroit, for example, but payrolls are beginning to skid. Nor will current tightness in labor supply help during reconversion, though this district, with its big auto, steel, farm and railroad equipment, and similar industries, is well suited to post-war change-over.

Crops are coming along well—except in parts of Iowa—despite delay in plantings. Only insects or early frost can halt the big feed crops which will assure 1945 output of pork and beef, which make farm income here. Receipts are registering average, or better, gains above 1943, due to surplus hog sales; returns are not apt to run as well in coming months or for all 1944.



● **St. Louis**—The crop outlook is improving, and output should considerably exceed 1943's. Missouri corn and cotton are doing well, and wheat is almost harvested; pastures are better, too. But several sections now are a bit too dry. So far this year, farm income gains have bettered the nation's, except in Arkansas.

War employment is still slipping, particularly here, also at Evansville, and around Little Rock (near which aluminum output has been halved). Louisville labor needs are still high, but may slacken in autumn, possibly along with Memphis. There are some arms increases at these places, however, as at Pine Bluff, Ark. (bombs); Quincy, Ill. (boats); Owensboro, Ky. (radar). Ordnance cutbacks have eased tight shoe and slaughtering labor situations in this area—though payrolls drop in the shift. Overtime work holds to peaks in district coal fields in Illinois, Indiana, and Kentucky.



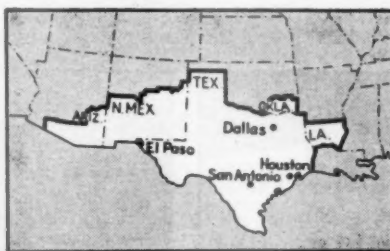
● **Twin Cities**—Crop prospects—as well as pasture and range conditions—are shaping up better than last year's. Spring wheat is apt to exceed 1943 harvests, despite abandoned acreage, much of which was speedily planted to corn despite wet fields, and manpower and machine shortages. With acreage up, and conditions better, crop income will outstrip the national average continuing the above-average bulge in total receipts thus far this year, which has developed mainly out of heavy returns from livestock products. Gains over 1943 in income and in prospects have been better in western than eastern sections.

Austin (meat packing), and St. Cloud, Minn. (aircraft parts), are the industrial standouts here. Activity is steady at high levels around northern iron mines and Duluth-Superior shipyards. Ordnance work locally is down from the peak. But Minnesota factory jobs are still up over 1943.



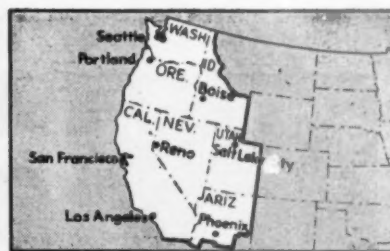
● **Kansas City**—Continued steady improvement has carried the prospect for 1944 winter wheat, now beginning to be harvested, 20% to 25% above the 1943 crop (on expanded acreage, of course); all states will show varying gains. Prices have weakened recently, but still will top 1943 quotations substantially; so wheat income will exceed last year's in two ways. Dry weather now, however, would be a big help. The corn shortage now affects lamb feeding, where before it produced a hog glut. Cattle are in good shape, but numbers are so expanded that ranchers may deluge autumn markets in fear of peace price slumps.

Factory employment, except at Denver, still compares better with a year ago than the nation's as a whole. In Denver, new shell orders will jump jobs 2,000; Tulsa also needs 3,000 war workers. Irrigation and other public works for the southwest may be substantial postwar employers.



● **Dallas**—Crops have improved greatly in north and central Texas, especially Panhandle wheat, estimated at 61 million bushels as against 36 million last year. Cotton, corn, and truck crops are in fair shape, dry weather during May bringing farmers in northern Louisiana and eastern Texas abreast of the season. Range and livestock conditions are average in most western sections, but spotty in southern New Mexico; ranchers are growing concerned over beef and wool markets. Cotton picking had begun in the south, and with labor scarce, machine-gathering is on the upswing.

Crude oil output is up more than one-third over a year ago, accounting for most of the national increase, with the district now contributing half the total current production. Employment is slipping at Dallas-Ft. Worth aircraft plants as efficiency zooms, but shell and shipbuilding activity is stepping up around Houston.



● **San Francisco**—Factory employment in district arms centers has been hit at least as hard as in the nation generally, both by improved efficiency, and by reduced supply—as men are drafted, women quit work, and families return east. Shortages have mounted as the Navy has expanded activities sharply at bases, depots, hospitals, and the like, and as critical contracts have mounted at San Jose, Sunnyvale, Richdale, Wash., and elsewhere. But payrolls have fallen, nonetheless, and sales trends show farm regions outstripping industrial centers in gains over 1943 dollar totals.

Rural buying power reflects late 1943 returns, rather than current receipts; so far, 1944 farm gains over 1943 are above-average only in the Pacific Northwest, and below par in California and bordering states. Cool weather has delayed crops lately, but peach and other major fruit tonnage will be heavier than last year.

LABOR

Slap for Strikers

NWLB's record shows that unions may expect only mild punitive action for violation of no-strike pledges.

Unions that go on strike in violation of the no-strike pledge may face mild punitive action by the National War Labor Board.

• **Penalties Vary**—In a series of recent cases, NWLB has developed a policy of punishing unions which engage in unjustifiable strikes. A number of different penalties have been evolved, but the board, still timid about the new policy, plans to impose them only in exceptional cases.

Otherwise, board members fear, the agency will be turned into a sort of police court with jurisdiction over strikes, instead of an agency to settle labor disputes.

• **Drastic Action Shunned**—The techniques used thus far include: (1) withdrawal of union security provisions, (2) withdrawal of some retroactive pay privileges, (3) docking a worker's vacation pay for time spent out on strike, and (4) placing a union on probation for a set period, with union security to be

withdrawn if the union fails to behave.

NWLB has hesitated to use the more sweeping sanctions provided in a presidential executive order under which strikers of military age would be subject to induction, all union privileges might be withdrawn, and manpower releases denied the strikers.

• **Discharges Asked**—Representatives of the steel industry, appearing before the board to argue against the C.I.O.'s demand for a 17¢ an hour wage increase in the mills (BW—Apr. 1'44, p15), have urged establishment of more specific penalties for strikers. NWLB has been asked to order suspension or discharge of employees participating in work stoppages. This proposal has been taken under advisement by the board, but it is highly dubious whether anything will come of it.

Consideration was given to sequestering union funds in the dispute involving the refusal of San Francisco machinists to work more than eight hours a day, six days a week, but the action was not taken. To sequester union funds, President Roosevelt would have to invoke the Trading With The Enemy Act—authority for closing the banks in 1933.

• **Major Examples**—Major cases where the board has taken punitive action against specific unions and groups of workers include:

San Francisco Machinists: Because

the local of the International Assn. of Machinists, A.F.L., refused to withdraw its ban against working overtime, NWLB ordered withdrawn a previous promise that any adjustment in wages would be made retroactive to Apr. 1, and provided that retroactivity might be partially restored if the union withdrew its ban.

Employers involved were forbidden to enter into any agreement with the machinists until the ban is withdrawn and the California regional board was directed to take no further action while the overtime ban remained in effect.

The board has begun preparation of papers asking the President to seize the more than 100 shops still affected by the ban, but is hoping that the union will yield, making seizure unnecessary.

Brewster Aeronautical Corp.: Last October, NWLB placed the United Automobile Workers, C.I.O., on probation in the Brewster plants with the understanding that they would lose their union shop clause in Brewster contracts unless proof was provided that (1) the union had followed the spirit and letter of the no-strike agreement, (2) had not used its disciplinary machinery to hamper company supervisors in their job, and (3) production had improved.

At the end of six months, the board found that its conditions were met and ended the period of probation.

Chrysler Corp.: The board refused to grant maintenance of membership and checkoff to the C.I.O. automobile workers because of the "large number of strikes participated in by members of



WOUNDED WAR WORKERS

Unique among projects for employing "unemployables" on war production (BW—May 13'44, p34) is the new method of combining profitable jobs with the occupational therapy given wounded soldiers. Under this plan,

initiated by Northrop Aircraft at the Army's Birmingham General Hospital, Van Nuys, Calif., Lt. Kenneth J. Birchfield gets bedside instructions (left) for assembling small aircraft parts. He and his comrades in beds or recreation rooms (right) draw trainee salaries while learning. When fully

trained, Northrop pays them the standard factory rates for turning out intricate parts of the Army's P-61 Black Widow night fighter. Besides primary instruction facilities, the company has completely equipped metal-working and machine shops at the hospital for more advanced workers.

Today



KEEP
AMERICA
STRONG
BUY
WAR
BONDS

HOW AIRFIELDS GROW ON MUCK, ON SAND, ON TUNDRA

ON world-wide battle fronts America's planes are taking off on missions against the enemy—taking off from desert sand, jungle muck, or Aleutian tundra.

In a matter of days, bulldozers shove aside the muck or level the sand. And giant cranes lay steel landing mats that are bolted into a landing strip.

Look at the engines in these bulldozers and cranes. You'll find familiar friends—the same friends

that power tanks and trucks, landing barges and patrol vessels, tractors and auxiliaries—General Motors Diesels.

And in these rigorous jobs of war, a promise is being written—a promise of plentiful, dependable, easily maintained, low-cost power for America's needs in the peacetime days ahead.



GM Diesels—because they are smaller in size, lighter in weight—propel boats farther, and for longer periods, with less fuel. They'll handle the catch, supply power for the refrigeration, and hasten deliveries—all with marked savings. Under the impulse of war, production has so advanced that this dependable low-cost power will be available for greatly extended use in peacetime.



ENGINES... 15 to 250 H.P. ... DETROIT DIESEL ENGINE DIVISION, Detroit, Mich.

ENGINES... 150 to 2000 H.P. ... CLEVELAND DIESEL ENGINE DIVISION, Cleveland, Ohio

LOCOMOTIVES... ELECTRO-MOTIVE DIVISION, La Grange, Ill.

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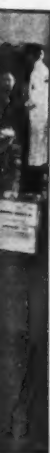
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the local unions at the Chrysler plants in violation of the no-strike agreement." However, the board left the union free to reapply for the union security provisions within six months.

In this case, the board placed a share of the blame on management and ordered initiation, over the management's protest, of procedure for the arbitration of plant grievances.

Cincinnati Motor Transport Club: Because the A.F.L. teamsters went on a two-day strike to force certification of their dispute to the NWLB, the board, in awarding a week's vacation with pay, stipulated that all workers who participated in the stoppage should lose two days of their vacation pay for one year.

Yellow Truck & Coach Manufacturing Co.: The United Automobile Workers, C.I.O., was granted maintenance of membership on probation because of a record of strikes. Nine months later, the board rejected a company request to withdraw the maintenance clause because of a strike since the union levied \$5 fines against the 179 strikers.

Revere Copper & Brass Co.: NWLB issued a blistering statement condemning both A.F.L. and C.I.O. for distributing leaflets depreciating the ability of an independent union in the Revere Baltimore plant to get a fair hearing before the board. In condemning the union for "unfair organizing tactics," NWLB reiterated its claim that no union gets "preferred treatment."



MODEL TRAINING

A working model of a huge overhead crane helps workers with their safety lessons at Carnegie-Illinois Steel's Edgar Thomson Works. Complete in every detail, the motor driven mini-

Label at Stake

Sale of Axton-Fisher to Philip Morris raises a question whether future products will bear the union label.

Whether the contents of the cigarette package or the union label pasted on the outside constitutes the bigger sales stimulus is a question that has been posed for the negotiators of Philip Morris & Co., Ltd., and the A.F.L. Tobacco Works International Union.

• **A Long Tradition**—Philip Morris' purchase of the Axton-Fisher properties at Louisville, Ky. (BW—Jun. 24 '44, p118), raised the question. For with the Axton-Fisher plant, stock, machinery, and goodwill went a trade union tradition that has been the boast of the tobacco workers union since late in the 19th century; and in the negotiations now under way, the union hopes to preserve it.

P.M. has a trade union tradition of its own based on a working agreement with the T.W.I.U. covering workers in Philip Morris plants at Richmond, Va. But Axton-Fisher not only maintained a closed-shop relationship with the union, but also carried the union's label on its products.

• **Label Credited**—R. J. Petree, secretary-treasurer of the union, conscious of

the emphasis which unions place on the purchase of union-label goods by their members, asserted at the time of the sale that Axton-Fisher's success with Spud, Twenty Grand, All American, and Fleetwood cigarettes was built on use of the union label. For this reason he anticipated no difficulty in renewing the closed-shop arrangement with Philip Morris.

Without committing himself as to the ultimate destiny of the union label on the Axton-Fisher brands now to be made by Philip Morris, a P.M. official observed, however, that "it's obvious that what's inside the package makes it sell, not what's printed on the outside."

• **2,000,000 Daily**—Abetting extension of organization in the tobacco industry is the fact that trade unionists are sending an estimated 2,000,000 union label cigarettes daily to the armed forces.

In some industries, however, the war has been eating into the established strength and prestige of union labels. Use of the label is usually left to the manufacturer's choice, except in the work clothing industry.

Since most companies can sell all and more than they can produce these days, many of them have not bothered to put on labels to attract organized labor's purchases. Conversely, even fervent unionists now are likely to buy whatever goods they can find without too close an examination into antecedents.

• **Silent Salesman**—Many manufacturers continue to employ the union label as a salesman for their products, and C.I.O. leaders have joined with I. M. Ornum, director of A.F.L.'s Union Label Dept., in advocating insistence on the union label as a means of retaining the "enormous gains that we have made in wages, hours, and working conditions."

The A.F.L. also has launched a campaign against the use of the "union made" designation by manufacturers who have no relationship with organized labor, calling it merely a deception. There are laws in all 48 states to safeguard the use of registered union labels, but a lack of restrictions on the use of such phrases as "union made" would permit any manufacturer to be his own judge as to whether an organization in his plant qualifies him to use such a description of his goods.

• **All Have Labels**—All 51 of A.F.L.'s affiliates have their own labels and some of the unions, such as the International Allied Printing Trades Assn., have separate labels for component members to be used in communities where only one type of shop is located.

Because the C.I.O. strongholds are in the durable goods industries and labels are most effective on consumer goods, only a scant half dozen C.I.O. unions have labels.

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1944



The "Latest Thing" Then...

The Height of Fashion Now...

Brass is always Modern

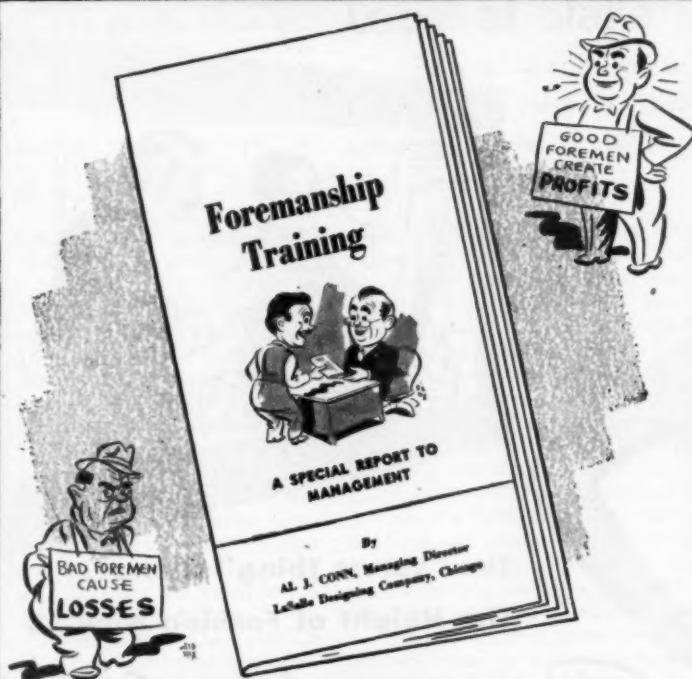
Hooks and eyes were the streamlined fasteners of the 1800's. These devil's devices were the curse of husbands, but fashion decreed them, and wives did the rest. At the same time, utility decreed that... since each fastening must stand considerable strain, yet have resilience to resist breakage... the logical metal was Brass.

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These exclusive characteristics of Brass are good things to file in your mind for future reference. Remember, too, that Bristol Brass will be able to supply you with any alloy your product-uses require... in sheet, rod, or wire of uniform dimensions and quality. In fact, why not discuss the preliminaries now? Write to The Bristol Brass Corporation, Bristol, Connecticut.

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PRODUCTION AND MANAGEMENT ENGINEERING

Unions Protest

Priority referral program draws fire from C.I.O. group in Cleveland as a device for the enslavement of workers.

Tact, persuasion, and salesmanship rather than compulsion, are the tools with which the U. S. Employment Service is endeavoring to put in operation the War Manpower Commission's priority referral program controlling the hiring of all male workers in the United States (BW—Jun. 3, 1944, p. 96). The regulations became effective July 1.

• **Employer's Advantage**—Labor groups, some of which had reacted as sharply as they would have to a real national service act, were somewhat mollified by the gentle demeanor of USES, but they still protested that the scheme worked to employer advantage.

Dissatisfaction among the labor unions was widespread, but it was most acute in Cleveland where the Cleveland Industrial Union Council (C.I.O.) condemned the employment ceilings as the groundwork for fascism and productive of slave labor.

• **Resistance Urged**—Richard E. Reisinger, council president, instructed members to resist certain features of the order. He credited labor's protest with achieving an interpretation of the original order which will permit hiring in excess of ceilings when the contractual seniority rights of a worker would otherwise be nullified.

The bitterest objection was to the now-relaxed rule that male employees laid off prior to the July 1 deadline would be unable to return because of job ceilings, thus losing seniority, and would perhaps be referred to a job at lower pay and with less favorable working conditions.

• **Strike Replacements**—The remaining regulation stirring bitterest resentment is that which requires a worker to fill a vacancy caused by a strike, lockout, or other labor dispute, provided the WMC regional director specifically authorizes the referral as necessary for the prosecution of the war.

The "slave labor" denunciation was aimed at the requirement that an individual worker's choice among suitable job openings in essential occupations could be limited to choice among openings on priority lists, if the area WMC director ruled that failure to fill priority openings was hindering the war effort.

The C.I.O. council leader asserted that 90% of the plants on the priority

list are those having the worst working conditions and pay, and that they can't get manpower because they won't provide decent conditions and pay.

• **Out of Sympathy**—Meanwhile, Dr. William C. Edmunds, Cleveland area WMC director, declared that he was not in sympathy with the program.

The USES staff, cautioned to be tactful, was instructed to refer to any non-essential business which urgently needs male workers any men who are "obviously unqualified" for war work.

Lewis Is Stymied

NLRB spikes U.M.W.'s drive among white-collar workers in mines because union admits foremen to its ranks.

A decision by the National Labor Relations Board appears to have stymied John L. Lewis' efforts to organize white-collar workers in the coal mining industry and presumably will force the United Mine Workers' chieftain to revise his tactics.

• **Supervisors Dropped**—In a case watched closely by bituminous operators, the board last week dismissed a petition filed by Lewis' infant United Clerical, Technical & Supervisory Employees of the Mining Industry, a branch of the United Mine Workers' District 50 (BW—Nov. 27 '43, p100). Through the petition, the union sought the right to represent technical and clerical employees at eight mines of the Rochester and Pittsburgh Coal Co., Indiana, Pa.

The petition was viewed as a preliminary maneuver by Lewis toward a more important objective—the right to represent supervisory employees in mine fields (BW—Mar. 6 '43, p83). In its original request last year to the company for recognition, the union included supervisory employees, a group which it had been organizing. But in its petition to the board for a collective bargaining election, the union specifically excluded the supervisors so as not to conflict with the board's Maryland Drydock decision holding that supervisory employees do not constitute appropriate collective bargaining units.

• **The Deciding Factor**—The fact that the supervisory employees were members of the union, that they outnumbered the clerical and technical employees, and that they played a prominent part in union affairs was the deciding factor in the board's decision, even though bargaining rights were not sought for them.

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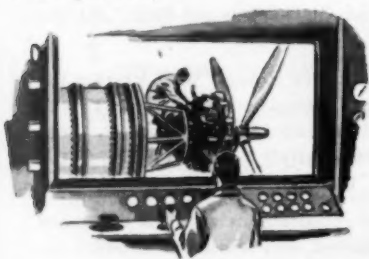
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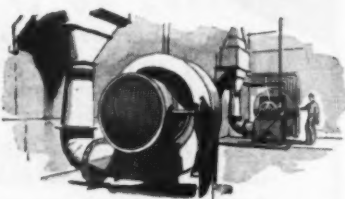


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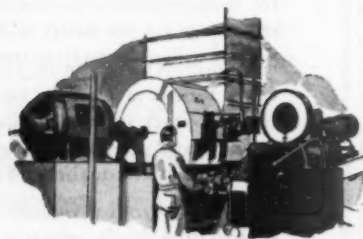
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2. **IN FLIGHT**, protruding scoops funnel air at high speed into the carburetor. But, on test, a Sturtevant Compressor takes over and rams as much as 2,500 cubic feet of air a minute down its throat. And to further match actual flight conditions, cooling and heating coils temper this air to approximate "Sahara" to "stratosphere" temperatures.



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Sturtevant
Puts Air to Work

control the union's policies and practices," the board said of the supervisory employees. The decision noted that some unionized supervisors had brought pressure on their subordinates to join the union, and added that the doctrines in the Maryland Dryden and Soss cases (BW-May 13 '44, p. 2) "clearly condemn the representation of ordinary employees and supervisory employees by the same labor organization."

• **Supervisors in Majority**—At the time of a board hearing last March, clerical and technical employees of the company totaled 160, while supervisory employees numbered 358. These workers are now covered by existing U.M.W. contracts.

Behind the Revolt

Move by Edmundson for a curb on John L. Lewis' power is linked to presidential year in the nation and in U.M.W.

Politically sensitive Washington explains the current "revolt" in the United Mine Workers Union by citing the fact that this is a presidential election year for both the nation and U.M.W. and it is in this light that this week's rumormongering session of dissident union elements in Cincinnati makes sense.

• **Autonomy Demanded**—Under the leadership of Ray Edmundson, former Lewis-appointed president of U.M.W.'s Illinois district, 110 miners claiming to represent 14 of the union's 31 districts, convened in Cincinnati to demand autonomy and self-government for the 21 districts which operate under Lewis-appointed officers.

They also demanded an end of "royal family rule" for U.M.W. and the supplanting of John L. Lewis by Edmundson.

• **Strong Backing**—Ostensibly called to perfect plans for a U.M.W. constitutional change designed to curb Lewis' powers, and to create an organization to put its program over at the miners' biennial convention which will meet in September (BW-Jun. 10 '44, p. 89), the Cincinnati meeting had the full, though tacit, support of three important non-miner groups. These were:

(1) C.I.O. leaders—many of them used to be U.M.W. officers but are no longer because they lost a struggle for power with Lewis; they will lend themselves wholeheartedly to any campaign to embarrass the miner chief.

(2) An important A.F.L. faction—the same group which blocked U.M.W.'s effort to re-enter the federation; they did this because of fear of Lewis and they will readily aid any movement to displace him, thereby satisfying their real but never explicit con-

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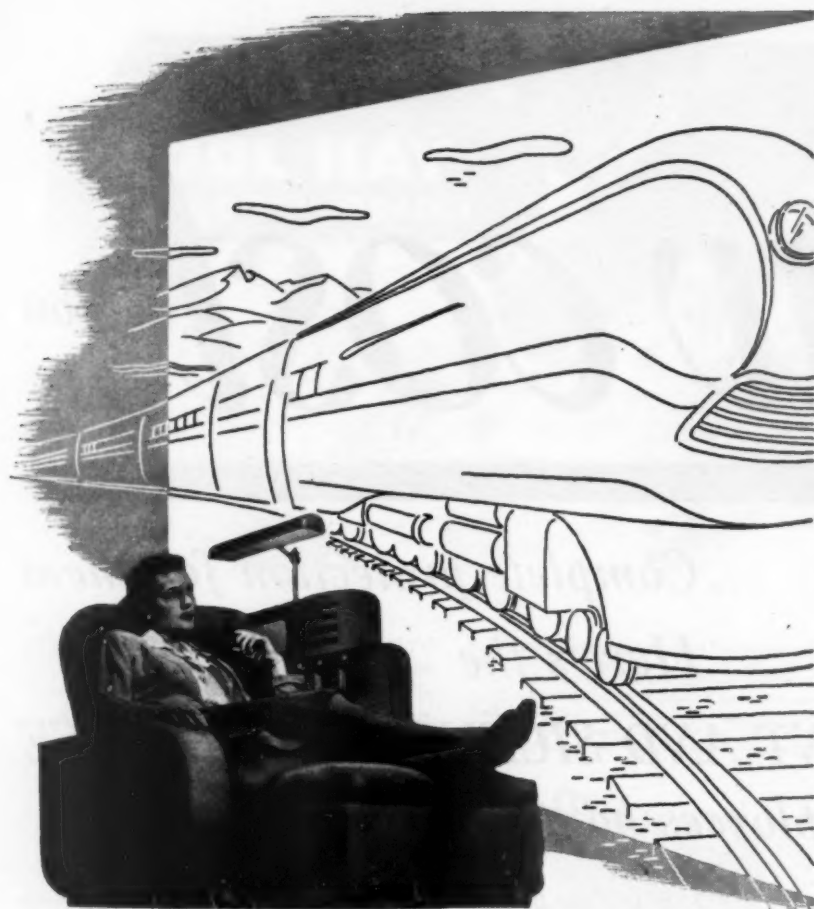
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★ ★ ★

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ORIGINAL AMERICAN LICENBEE GEORGE FISCHER (SWISS CHAMOTTE) METHOD



dition for bringing U.M.W. back into A.F.L. ranks.

(3) New Deal politicians—all certain of Lewis' intention to fight a fourth term for Roosevelt; they will abet any insurgent who promises to introduce discord at U.M.W.'s convention in order to prevent unanimous support for Lewis' policies; these policies are almost certain to include indorsement of Thomas E. Dewey.

● **High Nuisance Value**—With this high-powered support, and maybe even some financial aid, available to any anti-Lewis man for the asking, it was inevitable that some ambitious rival for the Lewis crown would appear.

Although labor men give Edmundson little chance of actually overthrowing Big John, they rate his nuisance value high. The issue he champions—autonomy for all U.M.W. districts—is a time-honored battle cry for mobilizing opposition to the Lewis machine.

● **Another Hurdle**—Even if, by some unforeseen coup, Edmundson could succeed in winning a majority at the U.M.W. convention, he would still be far away from the union's presidential office.

The miners elect their national officers by referendum in December, and the Lewis machine gets out the vote, collects it, and counts it. Technicalities for ruling a candidate's name off the ballot, or for discounting blocs of ballots, are always available. If the Edmundson revolt manages to wrest concessions from Lewis in the form of wider union autonomy, it will be considered dazzlingly successful.

● **Earning a Berth**—Meanwhile, the vigorous activities and confident statements of Edmundson are deceptive. A colorful figure and an able union administrator, he is by no means stupid. Theoretically employed now as an underground miner by the Peabody Coal Co., he is in fact a man looking for a job.

As leader of the current campaign he is valuable to a number of influential people. He is earning a comfortable berth somewhere.

● **Clashes Are Inevitable**—While fourth term politics, personal animosities, and ambitions may mesh firmly enough to make the Edmundson revolt appear to be more than a tempest in a teapot, the coal industry won't take it too seriously.

Coal producers are certain that Lewis will pick his own time and place of exit.

But one byproduct of such a fight always is unrest in the coal fields. If the Edmundson movement seeks to develop more steam than it can get from issuing press releases, and carries the campaign to the coal camps, as it has threatened, partisan clashes are inevitable. A real fight against Lewis has always meant arguments on the job, decreased output, and, often, bloodshed.

Rehiring Vets

Denver experiment with veterans placement has good results. WMC plans to use plan on a national basis.

The War Manpower Commission is adopting nationally the "one-stop plan" of reassimilating veterans into civilian life, tested since Jan. 1 in Denver's U. S. Employment Service offices and in six other cities.

• **All-Around Program**—This plan involves trying to iron out all the veteran's difficulties, not just his job problems, by assembling under USES auspices all services which public and private agencies can contribute to veteran readjustment. Another feature provides that if the veteran isn't one of the more than 50% well-trained and able who are snapped up at once either locally or by war work recruiters from outside the area, he is turned over to specialists in veterans' troubles.

A specially trained, full-time USES staff is supplemented by full-time representatives of other cooperating agencies, all under the advisory guidance of a community committee.

• **Seven Weeks' Result**—Veterans in the Denver area (USES offices cover the metropolitan district with a population of about 435,000) had formerly been placed in jobs at the rate of 93 a week. By the end of the seven-week trial period of the new plan, placements went up to 170.

Placements of "special problem" veterans stepped up from 22% to 29%. If that still looks low, it should be noted that many of this group weren't interested in jobs at all, but in such things as Army pay and medical treatment.

Some 49% of the special-problem cases had age as a handicap, for the center also serves veterans of the last war. Once they were placed, however, these special-problem men tended to hold their jobs even better than those who got work through regular employment channels.

• **Representative Cases**—Denver case histories indicate that the really difficult veteran readjustment problems are presented by men who have a record of instability in any environment, especially those who have been returned to civilian life after only a few months in the service. Better than statistics, some of the case histories outline the dimensions of the returning veteran problems:

A, 21 years old, discharged from Army after light epileptic seizures, trained as a baker and cook, wants to be a veterinarian. USES found a part-time job

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caring for tennis courts while he finishes his high school work; is looking out for a scholarship at Colorado State College.

B, discharged from Army, after serving 19 months, because of duodenal ulcers, kidney trouble, and arthritis. Married, with two children, now working against doctor's orders to keep family going. Wants to set up his prewar business as an automobile parts jobber; USES unable to help there.

C, 30, married, one child, medical discharge from Army as an arthritic. Nervous, had strong inferiority feelings, refused several jobs, or quit them after a few days because of conviction he "couldn't make good." Permanently placed as guard in a city jail.

D, released from the Army after seven months, because of heart strain, found his old job as an electric motor repairman too nerve-wracking, now has a job winding armatures.

E, "only child" type discharged from Army because he couldn't fit in. Tests showed he needed a regular routine job away from people, now a wheel greaser in railroad yards.

F, discharged from Army as a psychoneurotic, tried suicide; scholastic record showed unusually high IQ of 132, straight A's in college courses. Now selling beverages daytimes, going to night school. USES is on lookout for a college scholarship for him.

● Army Increases Problems—The overwhelming majority of "difficult to place" veterans weren't very well adjusted before Army life and returned with bigger problems than ever. Most of them need "quiet" jobs selected from among occupations suited to them.

Denver experience has shown that physically handicapped people, in general, are far less trouble to place than neurotics, and that they adjust quicker.

KEN-RAD FRONT IS QUIET

All's quiet on the labor front at the Ken-Rad Tube & Lamp Corp. plants, after a year's melee among the company, A.F.L.'s auto workers union, the National War Labor Board, and the courts (BW—May 27 '44, p. 102).

Ken-Rad has withdrawn plans to appeal a federal court decision upholding the President's right to seize the company's Owensboro (Ky.) plant under provisions of the Connally-Smith War Labor Disputes Act.

First step toward a settlement was taken in May when the company and the union reached an agreement on the wage dispute which started the long fight. NWLB quickly approved the settlement. On May 25 the Army moved out troops which had been in possession of the plant since mid-April



WORKERS SERVICE BADGE

Morale builder for war workers is the lapel pin which proclaims its wearer an essential employee. Approved by Washington, the 14-carat gold-plated badge went into circulation last week as War Manpower Commission's job freeze took effect (BW—Jun. 3 '44, p. 96). The emblems, mounted on cards bearing a workers' pledge, are sold through jewelers and war plants.

when the company defied a NWLB directive. Ken-Rad's decision not to appeal the court decision eliminates the last remaining pocket of dissension.

BUSES TIED UP

Fourteen ticket sellers wanted to wear sport shirts, no ties.

Management at Greyhound bus lines' bus depot in Chicago said no, and demanded the usual white shirts and ties, the current heat wave notwithstanding.

As the mercury climbed in the depot—it's not air-conditioned—the ticket men began to discard their ties despite management's objection. One day all 14 showed up without ties, and the station master wouldn't let them go to work.

On Saturday of last week the Brotherhood of Railway Clerks called out more than 100 baggage checkers, redcaps, and office workers. On Sunday the union picketed other Greyhound stations in Chicago's Loop, and on the south side, where employees belong to another union. The strike tied up ticket selling, baggage checking. Drivers refused to load or discharge passengers.

Company officials valiantly manned information desks, dispatched and supervised traffic, and handled baggage, but on Monday night, after the regional war labor board ordered arbitration of the dispute, the employees went back to work—without neckties.

THE WAR AND BUSINESS ABROAD

BUSINESS WEEK

May 8, 1944



The world is watching the monetary conference at Bretton Woods for the first clues to the way the United Nations are prepared to cooperate in shaping the peace—and the results inevitably will be disappointing.

No plan to keep world currencies on an even foreign exchange keel can be made to work merely by setting up a stabilization fund.

Experts—from bespectacled theoreticians to hardheaded bankers—are pretty solidly agreed that there are three fundamental faults in the way this key postwar problem is being tackled.

No worldwide stabilization plan will work until:

(1) Schemes have been devised to keep foreign trade flowing in volume and, over a period of time, in comparative balance for each major country participating in the plan.

(2) The groundwork is laid in each country for a sound domestic fiscal policy.

(3) London and Washington prove that a dollar-sterling balance can be set and held after lend-lease ends and wartime trade restrictions are eased.

The plan proposed at Bretton Woods is too grandiose to work unless economies are to be tightly controlled by government, as in Russia.

The International Monetary Fund would amount to \$8,000,000,000, if proposals submitted to the Bretton Woods conferees are accepted. Each nation subscribing to the plan would contribute, in gold and in its own currency, a "quota" presumably based on its importance in international trade and finance.

Washington's quota is expected to amount to \$2,500,000,000, of which \$600,000,000 would be in gold.

Worried critics, who fear that the monetary plan will turn into little more than a \$2,500,000,000 postwar extension of lend-lease, point out that nearly \$2,000,000,000 remains in the old Stabilization Fund and could probably be used in the new project without further congressional sanction, despite the fact that the Administration is pledged to cut Congress in on all new foreign policy decisions.

No action, at Bretton Woods or elsewhere, is expected to forestall inflation in newly liberated countries.

The assignment of that carefully selected group of economists and currency experts in the European theater's G5 (Civilian Affairs Section) is not to prevent inflation—because there is no hope for a hold-the-line policy in the liberated countries—but to see that inflation ceases at the earliest possible moment.

Don't overlook the bid of private business for leadership in pushing a postwar foreign trade program.

In calling an international business conference at Atlantic City for the week of Nov. 10, the International Chamber of Commerce, the U. S. Chamber, N.A.M., and National Foreign Trade Council are setting the stage for an all-business discussion of commercial policy, currency relations, raw materials supplies, and industrialization of backward areas.

Invitations have gone to 40 countries, each of which will be invited to send six delegates and six technical advisers.

You can expect vigorous action in the newest Washington-Buenos Aires

THE WAR AND BUSINESS ABROAD (Continued)

BUSINESS WEEK

JULY 8, 1944

diplomatic showdown, for in recalling Ambassador Norman Armour from Argentina, the U. S. means business this time.

Armour will not go back to Buenos Aires as long as the Farrell regime is in office.

Great pressure has long been placed on the British to collaborate in a bold program of economic sanctions (BW—Jan.22'44,p103), but so far they have refused to do more than recall their ambassador.

In forcing the issue to a head now, the U. S. has brought Pan-American cooperation into play.

Mexico's ambassador to Buenos Aires was recently recalled because he was pro-Farrell.

Chile has indicated that it will break with Argentina if requested.

Secretary Cordell Hull sent an indignant note to Ecuador when that country recognized Farrell, and Ecuador may withdraw recognition any day.

Britain's sudden willingness to change its attitude toward Argentina is due to recent indications that the Farrell government is about to plunge into a wave of expropriation of foreign-owned business (BW—Jul.1'44,p112).

British investments in Argentina total well over \$1,500,000,000. They are important in the railroad, utility, meat-packing, and shipping industries.

Despite the current political crisis and the possibility that economic sanctions will be applied, the War Food Administration granted permits this week for the importation of 5,000,000 lb. of Argentine cheese, first shipments of which cannot be expected to arrive before August or September.

Don't overlook Chinese preparation to come into the U. S. market with a specific list of requirements for a vast postwar industrial program now being reduced to a series of practical five-year plans (BW—Apr.1'44,p108).

Newly revealed requirement estimates for an over-all modernization program just brought from Chungking include materials for 12,300 miles of railroad, 165,000 miles of highway, and textile machinery capable of boosting annual spinning and weaving capacity by 1,500,000,000 sq. yd.

In addition, the Chinese will need 3,750,000 tons of ships, 459,000 motor vehicles, and 3,060,000 telephones.

To meet the immediate housing shortage which will exist at the end of the war, Chungking planners estimate they will want two billion board feet of lumber, and 100,000 tons of hardware.

No official estimates are made of the number of foreign engineers necessary to carry out the program, but **during the first ten years, a total of 2,500,000 engineers and special technicians will be required**, of whom only 500,000 are available among the Chinese now.

Exporters with an eye on the China market should note two developments.

(1) Though restrictions on the ratio of foreign capital invested in joint enterprises is removed, **only a few fields are open to foreigners.**

(2) All equipment bought abroad must be "standardized, simple, rugged, and easy to operate." **Highly styled and streamlined equipment is a luxury which is neither needed nor wanted.**

BUSINESS ABROAD

Venezuela Leads

No. 1 exporter of crude oil attracts U. S. capital for industrial expansion. Country benefits from wartime trade.

After flourishing for years under a steadily expanding export trade, Venezuela is reaping increased benefits in wartime. Demand for the country's oil—it is the No. 1 exporting nation of crude petroleum—and for its minerals has soared. Result: Venezuela has plenty of foreign exchange, large public revenues, and virtually no debt.

● **Attracts U. S. Capital**—Venezuela, long a favorite spot for U. S. foreign investments, again is playing a leading role in the plans of U. S. business for participation in immediate and postwar Latin-American development projects.

Recent announcements of United States companies—including expansion of subsidiary corporations—serve to focus interest in the war-born trends of Venezuela's economy.

● **To Expand Projects**—Within recent weeks it has been revealed that:

(1) Sinclair Oil Corp., with two Venezuelan subsidiaries, will begin immediately to construct a 35,000-bbl. refinery on its properties near Puerta de la Cruz. Work is already under way to expand the capacity of the pipeline at Santa Barbara from 45,000 bbl. to 75,000 bbl. daily. Rounding out the development will require construction of a power station, schools, hospital, and employee dwellings.

(2) The Bethlehem Steel Corp., in fulfillment of earlier arrangements, is at work on an iron ore exploitation project and plans construction of ore carriers to deliver Venezuelan ore to its eastern U. S. mills. The mining project involves a block of 16 mine concessions 165 mi. from the mouth of the Orinoco river (map), a railroad and road from the mines to the point of shipment, port facilities including conveyor-belt loaders and power facilities, warehouses, shops, and an airport. At the mine site workers' dwellings, school, stores, hospital, and a telephone system will be constructed. The road from the mines to the river is complete but unsurfaced, engineering for the rail line is finished, and telephone lines installed.

(3) Two American engineering firms—Johnson, Drake & Piper, Inc., and S. J. Groves & Sons Co., both of Minneapolis—have received a \$9,000,000 contract from the Venezuelan government for construction of waterworks at Venezuela's capital and chief city, Caracas (BW—Apr. 1'44,p108).

(4) General Motors Inter-American Corp., a subsidiary of General Motors Corp., has been established in Caracas to import, ware-

house, and service G.M. products. Previously represented in Venezuela by independent agents, G.M. figures that its postwar market there—tied to the government's road-building ambitions—requires a full-fledged agency on the spot ready to deliver goods.

(5) A Venezuelan subsidiary of Higgins Industries, Inc., has been studying inland water transport needs, and President Isaias Medina of Venezuela stopped at New Orleans earlier this year to talk over postwar purchases of Higgins' products (BW—Feb. 12'44,p110).

(6) A new tire factory, Firestone S. A., with capital of \$600,000 jointly subscribed in Venezuela and the U. S., will produce 100,000 tires annually. (Venezuela already has a General Tire & Rubber Co. factory, started by Americans.)

(7) The irrepressible Henry J. Kaiser, sniffing a good investment possibility, has indicated that he has sweeping plans for Venezuela in his fabulous postwar dossier.

● **Holdings Pile Up**—Like other Latin-American countries whose raw materials have been vital to the prosecution of the war, Venezuela has accumulated substantial foreign exchange holdings during the last five years during which time normal access to foreign markets has been curtailed. Venezuela held \$52,000,000 in gold and foreign exchange in 1939, but by the end of 1943, according to the National City Bank of New York, the country's holdings probably had risen to \$101,000,000.

American capital has confidence in the Venezuelan government—with

LATIN AMERICA V

In this—the fifth in a series of reports interpreting wartime developments in Latin America that will affect postwar American trade—Business Week surveys the Venezuelan economy, the changes which have occurred during the war, and their implications for the future.

Previous reports have dealt with U. S.-Latin-American trade (BW—Apr. 8'44,p113), changes during the last five years in hemisphere industry, mining, agriculture, and in intra-Latin-American trade (BW—May 20'44,p22), Mexico (Jun. 10'44,p109), and Chile (BW—Jun. 24'44,p113).

Subsequent reports will continue the analyses of wartime changes in the economies of the various countries.

which oil concessionaires came to a new understanding in 1943—and U. S. interests are counting on the probability that public works, agricultural diversification, and industrial development programs will be continued and expanded after the war.

● **Public Works**—A three-year development plan, announced in 1938, was vir-

VENEZUELA'S WEALTH TEMPTS U.S. INVESTORS



War Demands Spur Output of Venezuelan Industries

MINING

Venezuela's production of petroleum and gold for export dominates the country's mining industry, but output of industrial diamonds—spurred by war demand—has grown rapidly, attracting gold miners. New diamond discoveries in 1937 revived a declining industry. Exploitation is restricted by the government to individuals who operate by panning and sluicing, for which little capital and equipment are needed.

● **Copper Mines Close**—Venezuela's copper production was of some importance until the 1932 depression when the South American Copper Co. was forced to close down.

Magnesite on Margarita Island is accessible in quantity. It is estimated that production of more than 1,000 tons a month can be obtained.

A new company, formed in 1941 with Venezuelan capital, is exploiting cinnabar (mercury ore) east of Lake Maracaibo. Production of 8% ore is expected to run to 100 flasks (of 76 lb.) monthly.

● **U. S. Bureau Helps**—The development of asbestos production has been un-

dertaken in close collaboration with the United States Bureau of Mines. The company engaged in this project has a capitalization of \$675,000.

MANUFACTURING

Food-processing is by far the most important manufacturing industry in the country. More than half the total number of manufacturing establishments, more than 40% of industrial investment and sales, and better than 50% of the workers in manufacturing are engaged in food-processing.

Textiles rank second among Venezuelan industries. Production of cotton materials has nearly doubled during the last seven years.

● **Minor Industry**—A small chemicals and pharmaceuticals industry, based on imported materials, consists of nearly 300 enterprises ranging from small shops to fully equipped modern plants. At the time of the last census of the industry, production was valued at \$6,300,000.

Venezuela's leather industry suffers from poor quality hides, and, except for goatskins, exports have been insignificant. The U. S. and Britain have bought all

the exportable surpluses during the war.

● **Imports Necessary**—Lumbering in Venezuela is deterred by lack of transport facilities so that, despite extensive timberlands, a large portion of domestic lumber needs is imported. The country is nearly self-sufficient in paper production, and recently built or expanded mills producing small quantities of newsprint, bags for cement, and glazed and bond papers manufactured from imported woodpulp.

With most of Venezuela's small manufacturing facilities clustered around Caracas, the capital city, 15 of the country's 49 power establishments are located in that area. At present there is a severe shortage of electric power in manufacturing districts, and a government power program calls for the construction of six power plants, two of which have already been completed.

● **To Use Hydroelectric Power**—Coal is found in a number of places in Venezuela, but it is low grade, and production has steadily declined during the last 25 years. Venezuela plans to rely primarily upon hydroelectric facilities for power; heating requirements are insignificant because of the climate.

usually completed on schedule. In January, 1942, a \$100,000,000 five-year public works program was launched. More than half of this program is either under way or about to begin, although many parts have been delayed by lack of machinery imports and inability to obtain reinforcing steel for construction. The program includes waterworks, sanitation projects, highways, public buildings, and industrial installations. Caracas is to get two \$8,000,000 housing projects.

The road program—an extension of an earlier plan which resulted in construction of 1,134 mi. of highway between 1938 and 1940, boosting the nation's mileage to 8,000—will be directed toward gaining easy access to the rich grasslands up the Orinoco, connecting other farm lands with urban centers and linking the chief cities with improved roads.

● **To Diversify Farming**—As a net food-importing nation, Venezuela is endeavoring to increase its food self-sufficiency, spurred during the last few years by shortages of imported foodstuffs. Efforts are also being made to diversify farming to reduce the preponderance of coffee and cacao cultivation and to extend rice farming.

For more than a decade petroleum has been a key export (chart, page 115), supplanting coffee—once the leader—and petroleum exports in 1941 constituted nearly 94% of the total by value. Even

after official overvaluation of the commodity in export statistics is discounted, oil still comprises 75% of total exports.

● **Leads in Crude Exports**—Venezuela recently has vied with the Soviet Union for second place (after the U. S.) as an oil-producing nation but ranks first in the world as an exporter of crude oil. In recent years (although all export data show the island refineries at Aruba and Curacao as chief export destinations) Venezuela has exported between 27% and 30% of its oil to the United Kingdom, 25% to the United States.

Although Venezuela has many other rich mineral deposits (map, page 113)—gold has traditionally been a top-flight export—none is likely soon to rival petroleum. Much of the country, however, has been only cursorily explored.

● **More Asbestos**—Machinery is now on the way to equip the Tinaquilla asbestos mines where 960 tons of fibrous rock will be processed daily for a monthly output of 500 tons of long and short fiber (less than 2% of the world's chief producer, Canada). The long-staple fiber has been contracted for in the United States, and facilities for using the short fibers are projected for Venezuela.

About 75% of Venezuela's gainfully employed workers are engaged in farming or stock raising, and yet there is an absolute shortage of foodstuffs.

● **Heavy Food Imports**—Although Venezuela is a large exporter of coffee and

cacao, it is a heavy importer of wheat and other grains, dried milk, butter, cheese, lard, sardines, olive oil, and ham. During the war, when expanding oil output and increased manufacturing activity drained workers from farms to high-paid city and mine jobs, Venezuela experienced an acute food shortage and skyrocketing prices.

For years Venezuela's heavy imports of foods have been made possible because profitable oil exports prevented shortage of foreign exchange. Now the government is determined through education, land reforms, distribution of seeds and equipment, colonization and immigration, and other devices (including special missions brought from the U. S.) to speed diversification of farming—reducing the emphasis on coffee, cacao, and tobacco—and increase self-sufficiency in staple foods.

● **Coffee Loses Ground**—Both coffee and cacao are subsidized crops. High costs and indifferent demand for the Venezuelan coffee bean prevent it from competing for world markets. Venezuelan cacao, on the other hand, despite its high cost, ordinarily commands a premium in world markets.

Venezuelan cotton production rose from 6,500,000 lb. in 1940-1941 to 8,800,000 lb. in 1943-1944 (estimated), but the yield is low-quality fiber. During the last few years local demand has pressed textile capacity, and protective restrictions on cotton imports (imposed

in 1937) had to be removed to permit mills to increase consumption from 6,600,000 lb. (1937) to 11,000,000 lb. (1943).

• **War Retards Industries**—Venezuela is in the early stages of industrialization, and its more than 22,000 "manufacturing" establishments have an average capitalization of around \$5,000. They depend almost entirely on imported machines and equipment and to a large extent on imported raw materials.

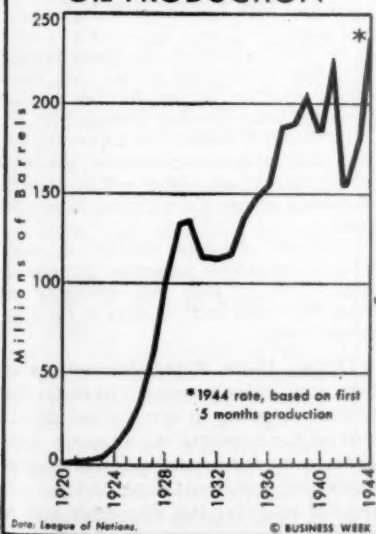
During the war, because of shortages of imports, expansion has been confined to existing plants using domestic materials, and to supplying domestic demands. Many new enterprises have been founded on this basis.

Venezuelan industry has been encouraged by extremely high import duties and by exemptions from duty for machinery and raw materials needed by local industry. Early this year further drastic cuts were made in duties on equipment and machinery.

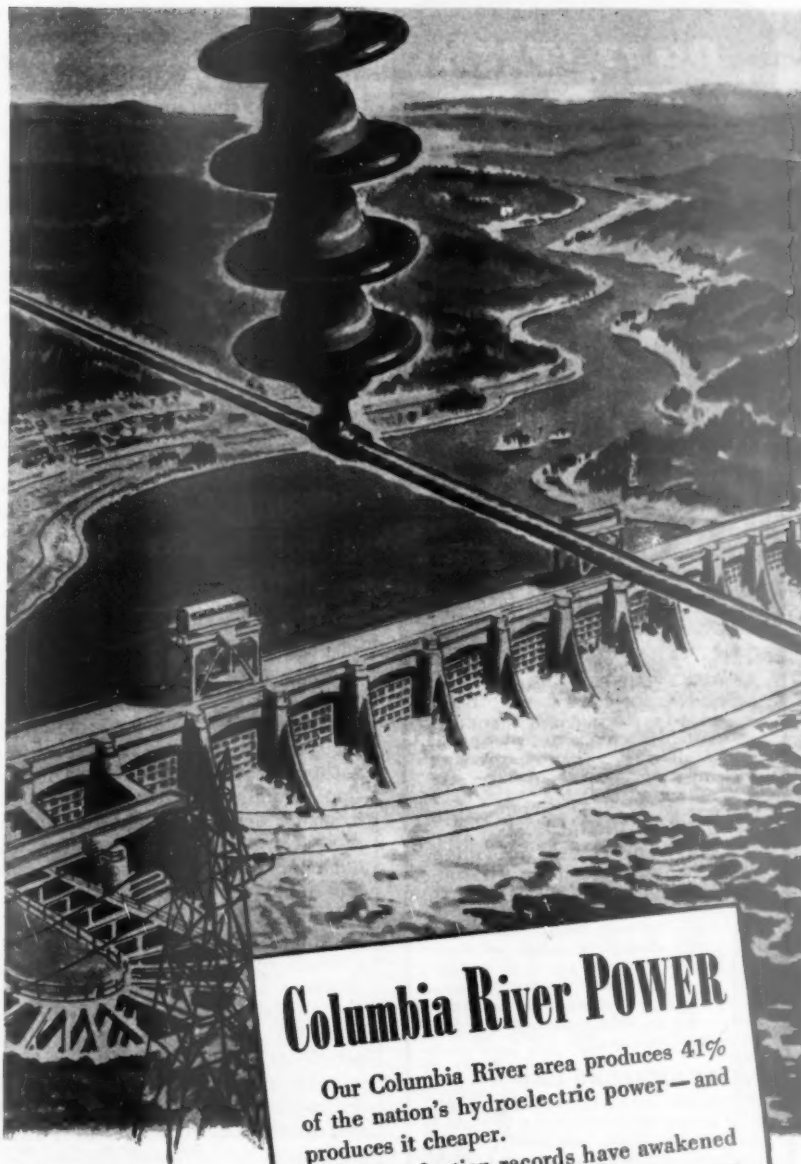
• **Financial Backing**—An Industrial Bank, financed by the government, has aided the establishment of new industries and expansion of old. Since 1937, a Division for the Promotion & Protection of National Industries has operated under the Ministry of Development.

The government has lent financial aid to expand production of cement, develop meat packing, and increase cotton textile manufactures. Industries based on local materials—the salt mines

VENEZUELAN OIL PRODUCTION



Venezuela's spectacular rise to position as the world's largest oil exporter was given only a temporary setback by the tanker shortage in 1942.



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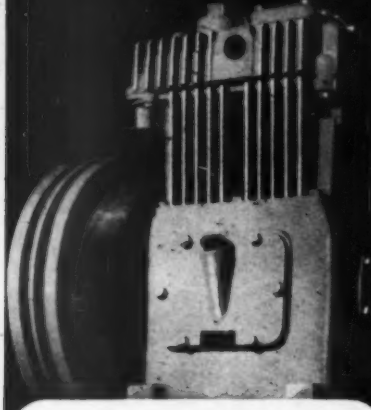
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The Great Newspaper of the West

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at Araya, mother-of-pearl button factory at Porlamar, the fisheries with canning, oil extraction, and fertilizer unit at Cumana, and a sisal bag factory—have all received government funds and aid in acquiring equipment.

After the war, Venezuela's most pressing problem will be to shake down its high-cost economy—sometimes described as the most expensive in the world. An increase in the number of skilled workers is urgently needed to raise productivity, and this must be attacked on a broad front extending even to the improvement of nutrition to permit productive employment for a full eight-hour day.

• **Light Industries Stressed**—In its report to the Minister of Finance, the American Advisory Economic Mission (one of the many such U.S. missions to Latin America in recent years) noted that light consumer goods industries deserve primary emphasis and encouragement. Venezuela lacks the requisite bases for an economic steel industry, and has no need for other heavy-goods plants.

Venezuela's internal markets, particularly after improvement of transportation facilities, should grow rapidly and for some time absorb domestic output without resort to export. The U.S. mission recommended that care be taken to assure that only establishments with prospects of eventually operating without excessive tariff protection or subsidies should be encouraged.

• **Won't Change Pattern**—Venezuelan trade may not show marked changes as a result of the war, despite renewed efforts at food production, some expansion of fishing with a view to export, expanded refinery capacity precluding petroleum products imports, and near self-sufficiency in cement production (except for quick-setting types). On the over-all, these changes will affect import and export patterns only fractionally.

The increased intra-Latin-American trade of Venezuela is regarded by trade experts as a temporary stopgap. A sharp rise in this trade occurred during 1942—the year of acute Allied shipping shortages—but, except for the grain trade with Argentina, it fell to or below 1941 levels (with Peru, Chile, Brazil, and Ecuador) in 1943.

• **U. S. Ratio Rises**—The United States' share as a supplier was 70% in 1941, and 54% in 1942, but rose again to more than 70% in 1943. Before the war (1938), the U. S. supplied 56.4% of total imports, valued at around \$100,000,000. Many unfilled demands will have to be met after the war, and the U. S. may maintain its role as chief supplier at least until European and Asiatic traders complete rehabilitation and re-enter international markets.

CANADA

Profits Tax Cut

Canadian budget sets the stage for prompt reconversion by altering tax obligations of Dominion businesses.

OTTAWA—Canada's Finance Minister James L. Ilesley gave the Dominion Parliament a preview last week of Ottawa's plans for prompt reconversion and an earnest of the administration's intentions to ease and speed these plans.

Ilesley's fiscal message, accompanying presentation of the 1944-1945 budget, is moderate in its immediate effect but is carefully designed to prepare business and industry for a quick switch-over to peace production as final victory nears.

• **Effect on Business**—Here are some of the things Ilesley's budget does for business:

(1) Gives companies an immediate small reduction in excess-profits taxes (now 100% including 20% postwar refund) by allowing them to raise standard base profits by 5% of earnings plowed back into business without a corresponding issue of new stock, which was previously required.

(2) Allows charging of all current outlay on research connected with postwar plans, and a third of capital outlay for the same purpose, to this year's earnings for tax deduction.

(3) Permits them to charge half the cost of deferred repairs and maintenance made in the future back to earnings in high taxation war years.

(4) Tells business it can charge losses on operations in the first postwar year against profits in either the war years or the three years following the first postwar year.

(5) Enables business to adjust depreciation allowances on new capital investment so that part of the outlay will be borne by wartime earnings for a saving in wartime taxes.

(6) Gives statutory sanction to assignment of refundable portion of excess-profits taxes (20% of total tax, returnable two years after war's end) as security for reconversion loans.

• **Ottawa Holds Reins**—Business executives took Ilesley's message to mean that Ottawa is going to stay in the driver's seat on the timing of reconversion. Concessions on the cost of deferred maintenance and new investment, and the privilege of assigning the returnable portion of excess-profits taxes on reconversion loans will be restricted to projects carried out in a period to be fixed by the government.

Canadian officials do not expect heavy imports of U. S. goods to follow quickly

SAVINGS PLAN ENDS

Canada's two-year-old experiment in compulsory wartime savings, collected by the Dominion government as refundable taxes, ended July 1 as a result of the budget submitted by Canada's Finance Minister James L. Isley.

Isley dropped the experiment because it caused hardship for low-income groups, but chiefly because it had been blamed for absenteeism in industry.

Taxes and compulsory savings were so steeply graduated that for a large section of taxpayers, two-thirds of every dollar earned above exemptions went to the government. Workers were told to figure a part of this as a postwar nest-egg, but the feeling that, after a certain point, they were working for too little led to absenteeism.

Isley's action in repealing (as of Aug. 1) his 1940 War Exchange Conservation Act (prohibiting imports of many items of civilian goods from non-essential areas, except by permit). The law is repealed because Canada's dollar exchange position is now comfortable, U.S. priorities on goods in short supply, and other shipping restrictions, will keep imports down. In addition, imports of high-priced U.S. goods may be hindered by putting them under the Canadian ceilings.

CANADA HUNTS LABOR

Canada's work-force drive, spurred by landings in France, is the biggest yet. Ottawa munitions authorities are after 10,000 male workers, 41,000 women. Another 100,000 men are wanted for the armed forces. And on top of this, appeal is being made for 250,000 men, women, boys, and girls, to help with vegetable, fruit, and grain harvest.

Consequently, Canada is entering the early stages of its most severe manpower shortage.

Aiming at full utilization of manpower, Labor Minister Humphrey Mitchell, political head of selective service, has ordered a top-to-bottom manpower survey of all industries. About half a million men rejected for service in the armed forces will be interviewed individually with a view to transferring them to top-priority occupations. All employed persons, 16 to 64 years of age, will be reviewed to determine the possibility of shifting work to other jobs, and to detect labor hoarding if it exists.

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THE MARKETS

(FINANCE SECTION—PAGE 54)

The month-old "invasion rally," which pushed all stock price averages up to their highest levels of several years, lately has been evidencing the return of at least part of its earlier vigor. This trend follows a fortnight of churning prices that started a number of market students to wondering if a price-recession might not be in the making.

• **More Investment Buying**—Big Board trading volume continues to be dominated by the interest of speculators in the low-priced issues offering the greatest appreciation possibilities on a percentage basis. Last week some 23% of all activity was centered in stocks selling at \$5 or less, 46% provided by shares priced at \$10 and under, and only 33% by stocks selling above \$15.

Nevertheless, investment buying has been on the increase, according to Wall Street sources, and in the last week or so blue chip issues, or market leaders, have been mounting to the highest levels they have reached for some time.

• **Steel Hits New High**—Confirmation of increased participation of the traditional bellwethers in the current upswing was furnished also on Wednesday of this week by the opening of 5,000 shares of U. S. Steel at a price of \$62, a \$1 advance above its previous close, and its subsequent rise to above \$62.50, a new four-year high.

In the past (though precedent has meant less and less of late), the sight of the lower-priced volatile speculative stocks monopolizing trading activity has invariably proved a signal that a rising market was becoming top-heavy.

Because of the continuous presence of

this factor in recent weeks, plus the doubling and tripling of price by quite a few low-priced stocks which, on the basis of the prewar performance of the issuers, would seem to face a rather dubious future, a number of Street statisticians aren't yet willing to go too far on the limb in expressing any near-term bullish sentiments.

• **Bulls Aren't Worried**—Wall Street bullish elements, however, aren't at all worried about the extreme activity so lately in the low-priced group. They say that this is all being done on a cash basis and merely consider it another phenomenon of the present widespread abundance of cash.

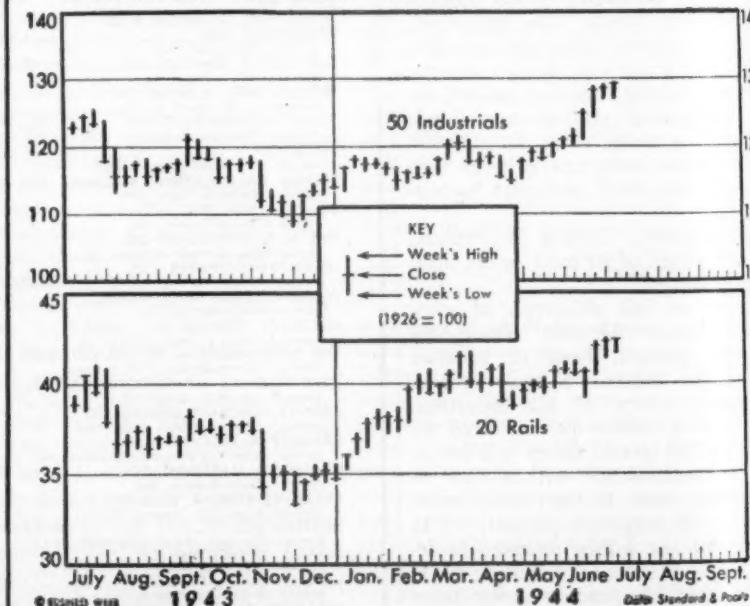
This group thinks the recent period of hesitation was something that should have been expected, and they see no present definite absence of signs pointing to any serious near-term reaction. But others believe this is a time for caution rather than aggression and repeat that an increasing number of "stop" orders are now being placed by traders to protect their profits of the last few months.

Security Price Averages

	This Week	Month Ago	Year Ago
Stocks			
Industrial . . .	129.5	128.7	121.6
Railroad . . .	42.5	42.4	40.6
Utility . . .	55.3	54.5	51.6
Bonds			
Industrial . . .	121.0	121.1	122.0
Railroad . . .	106.0	105.6	106.5
Utility . . .	116.3	115.9	115.8

Data: Standard & Poor's Corp.

COMMON STOCKS—A WEEKLY RECORD



THE TRADING POST

Save That Paper!

From L. K. Bontin, business manager of the Philadelphia Wastepaper Salvage Committee, comes the following report:

The following story of wastepaper salvage was told me today by one of Philadelphia's wastepaper dealers.

"About ten months ago in making a trip out about thirty-five miles to collect some wastepaper, I noticed a short distance away another plant and thought I would call on it. It was a small branch organization of one of our country's large industries. This branch has ten or twelve hundred employees.

"The purchasing agent told me they were entirely too short-handed and too busy to bother with salvaging wastepaper, so they were continuing to burn it. Having looked over their burning paper and paper dump, I argued with him and finally told him that, if he would let me collect their wastepaper, I would give him, in advance, \$5,000 a year for it. He still said they were too busy, and I finally talked him into getting some outsider to gather and tie up their wastepaper—principally kraft bags and corrugated boxes. He told a nearby colored man who did odd jobs that he would give him so much per hundred for gathering it.

"About ten days later, I received a call from him and went out and collected about 10,000 lb. of wastepaper. Three days later I received a second call and, since then, I have been getting about three loads of 7,000 or 8,000 lb. per load each week, for which I am paying the regular market price.

"After this plan had been in operation three months, I installed at my own expense a 54 in. power press out at the plant so that the same man can bale the paper which I am continuing to buy from them. I think I will buy at least \$10,000 worth of wastepaper from them during this first year.

"Last week I also bought from them two 10 lb. bales of burlap which they were likewise intending to burn. This burlap accumulation had just started because they were beginning to use some different raw materials."

This true story about the salvage of much needed wastepaper I thought too good to skip. It certainly does make apparent the fact that even some of our largest organizations are not fully aware of the salvage possibilities within their own plants. Wastepaper, once a nuisance to be burned, has recently become the nation's No. 1 critical material shortage—an added reason why it should be destroyed. "Wastepaper going to War," should be the salvage theme for every plant.

Calories or Tastebuds?

Here comes word that the National Restaurant Assn. is cooperating with the University of Chicago, offering fellowships of \$1,000 each and of \$500 each for the year 1944-45.

It is estimated that studies will require five years' time on a nine-month school year basis and after the first two years an internship is to be provided, giving students opportunity for practice in the more efficient restaurants of Chicago and possibly elsewhere.

Courses are to be divided roughly into (1) general business management and (2) foods and nutrition. The degree of Master of Business Administration in the restaurant field may be obtained upon completion of the work.

Well, I suppose it's possible to do a real job with that first group of courses on "general business management." There's bound to be room for more efficiency in restaurant management as in every other business.

But I'm hoping they won't let that second lot of courses on "foods and nutrition" carry the slide-rules and test-tubes of scientific control too far.

To be sure, we should know all we can find out about the nutritive values in our victuals, but when it comes to putting them together in just the right measure and under just the right conditions—that's something else again. Then we get into savor and flavor as well as calories and vitamins. And, in the showdown, tastebuds as well as metabolism should have their innings.

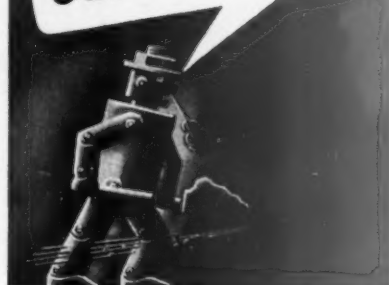
For cookery truly is an art, not to be straitjacketed by the terms of an M.B.A.—even "in the restaurant field." I seem to sense the anxiety with which the shades of Bechamel, Vatel, du Bois, Careme, de Gouy, Escoffier, and the other culinary worthies may watch from the kitchen windows of Valhalla any venture by scientific management into the hallowed precincts of their art.

I suspect too that Mother—the immortal American pie-maker—may be concerned over the possibility that her treasured art might become a matter of grams of flour and cubic centimeters of water. And what of the long line of colored cooks whose incomparable dainties have delighted generation after generation on no more precise recipe than the dictum "you fust takes the ingreecimints—jes enuf of each; then you mixes 'em—jes enuf; then you cooks 'em—jes long enuf, and then you has it sure 'nuf."

Yes, there's room for scientific management in many departments of the restaurant business. But "for goodness sake," before they go to town on that "foods and nutrition" business, I hope those who handle the courses will take counsel with the editors of Gourmet.

W.C.

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THE TREND

WHO HAS HOW MUCH FOR POSTWAR SPENDING

For all the postwar hope we put in consumers' 100-billion-dollar wartime savings, we know little about who owns them in what amounts. Thus we can say little about what their effects on business are apt to be. Once in a while we get a new clew which we can put together with a few others to reassess prospects—usually coming up with more pessimistic answers. That's true again, now that Irwin Friend of the Securities & Exchange Commission has published his study of individuals' bank deposits in the June Survey of Current Business.

• **For background, the Dept. of Commerce estimates** consumer savings at some 14 billions for 1941, 28 billions for 1942, 33 billions for 1943; and it figures that 1944 savings will also be in the neighborhood of 30 billions.

War savings may later be spent for war-denied homes, autos, and other wants. Or they may be held as nest eggs to permit freer spending of current income. Or they may be held as capital, to produce income. The important question is: How much of a relative increase in spending will they set free to stimulate business?

Any answer must be based, in part, on speculation as to what the various types of savers will do with their money; but, in part it hangs on the facts as to who has saved how much—for purchases, nest eggs, or capital.

Some facts we have. For example, regularly compiled SEC figures show that, in 1942 and 1943, some 26 billion dollars went into increased holdings of currency and bank deposits, 24 billions into U. S. bonds, and perhaps 15 billions into miscellaneous savings—almost 7 billions of these into private insurance, almost 4 billions into repayment of debt, over 3 billions into new homes, and the remainder into savings and loan or other securities.

• **Who owns them?** Well, we've known a little about savings in bonds. In 1942-43, some 15 billions represented E bonds. The other 9 billions went into F, G, and other bonds bought by individuals, and these must be owned by persons with fairly large incomes. But not all of the E bonds were bought by "the people" either, since wealthy persons may purchase them, too. We know only that almost half of the E bonds purchased in 1942-43 were bought on payroll deduction plans—and the proportion is running a bit higher now.

The next big question concerns currency and bank deposits. Over half the savings in this category is going into checking, or demand, deposits. But Friend's figures show that, of an estimated 8-billion increase in demand deposits from June 30, 1942, to June 30, 1943, only about a half-billion were in accounts owned by what we think of as the average employee. Over two-thirds of the increase went to individuals who are not only consumers, but also owners of unincorporated business—

farmers, retailers, manufacturers. The rest went to executives, salesmen, professional men, retired persons.

Tempering the impact of these data is a further breakdown showing almost 40% of the increased deposits in accounts of less than \$1,000, 40% in larger accounts, and 20% in new accounts (most of which were over \$1,000, however). This indicates a widening of holdings, though, of course, one person might have several small accounts.

As for increased holdings of currency, which is a big item, we know little about how much defense workers, say, are socking under the mattress, and how much accumulating in the tills of small business, or in some black marketer's safe deposit box. But over 25% has gone into bills of \$50 or larger.

• **We can see that at least half the bonds, much more than half the demand deposits, and certainly a large part of the currency accumulated in the war must have gone to wealthy persons or owners of businesses.** As for "miscellaneous" savings, aside from debt repayment, they are of the sort that are made in normal times by well-to-do persons, and have increased only slightly during the war. One can say conservatively, therefore, that well over half the wartime savings must have gone to wealthy or business people, who may be expected to spend something for homes or autos, or for new or expanded businesses after the war, but who are also very likely to hold a lot of their accumulation as loan capital for income return.

The most revealing data would be savings by income groups. The trouble is that we have that information for only as late as 1942—and the figures for that year are something of a guess. However, they show that over half the 1942 savings were made by persons with incomes \$5,000 or over—in average chunks of \$2,350 for the \$5,000-\$10,000 group, and of \$10,000 for groups at higher income levels.

• **Of course, we can't be sure that large savings will be held as capital, for 3% interest on even \$20,000 would return but \$600 annually—which is hardly enough to make leisure pay.** On the other hand, smaller savings might be figured as a start on earlier retirement, or a beginning on life insurance—in which case, they might have the effect of stimulating postwar saving, rather than postwar spending!

Probably, however, wartime savings are so vast that they will, in fact, result in more postwar spending, beneficial to business. But, the more we learn about them, the more cautious we must be in banking on them.

The Editors of Business Week

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